



LOMBARD

Time to plug the fame drain

BY ARTHUR SANDLES

CITY CENTRE decay is rapidly becoming a fashionable peg upon which to hang your political hat. It has been with us for a very long time but recently those with their fingers on the voting pulse sense alarm across a much greater range of public opinion than was the case a few years ago.

International

Unfortunately there are signs that urban decay can be repeated on a very much larger level, that is on an international basis. What is happening to the centre of London and what has happened to the centres of New York and St. Louis can quite easily happen to a nation.

What is now termed the fame drain is a colourful add-on to the old Britain brain drain, which proceeds apace. There would seem to be very little difference between the drainage involved and the loss of middle-to-high income residents by the major cities of the world. It is just that the distances are greater.

Sportsmen

Clearly for many of our more mobile residents, that point has been reached. The doctors, engineers and research workers who were tempted away in the past are now being joined by the writers, entertainers and sportsmen for whom a home-base is largely unimportant as far as attracting further work is concerned.

It is arguable that allowing commercial pressures to take their course, and allowing city

RACING

BY DOMINIC WIGAN

Powderhall promising prospect on the flat to-day

FOR THE many followers of National Hunt racing this Saturday's programme at Kempton Park offers an attractive alternative to the major flat meeting at Newmarket.

There are three sponsored races at the Kempton meeting which launches the jumping season in Greater London and these include the £5,000 Chariisma Records Gold Cup, a handicap chase over 3 miles.

SALEROOM

Welsh porcelain—for £22,320

A COLLECTION of fine Welsh porcelain and another of pharmacy wares were the two main features in Sotheby's sales of English pottery and porcelain in London yesterday.

EMI reshuffle nears completion

EMI'S GRADUAL film-making management reshuffle in the wake of its takeover of British Lion appears to be nearing completion. Last night it was disclosed that Mr. Michael Deeley and Mr. Barry Spinks, the two men who headed British Lion, are to be chief executives of EMI Films Inc. and EMI Films Ltd. respectively—the Los Angeles and London arms of EMI's film activities.

BY DOMINIC WIGAN

BY DOMINIC WIGAN

particularly strong raid on Folkestone to-day and it will come as no surprise if all six races are won by horses trained at racing headquarters.

Two in-form Newmarket trainers with bright prospects have added to already big tallies for 1977 are Henry Cecil and Robert Armstrong.

BY PAMELA JUDGE

BY PAMELA JUDGE

English and modern prints amounted to £29,835. An etching of a self-portrait with Saskia by Rembrandt went to a German dealer, Binbold, for £700.

BY PAMELA JUDGE

Mr. Cohen, now in his early seventies, has long been the majority of EMI's film-making and here has been some concern about management succession. Lord Deifont, who takes over from Mr. Cohen as chairman of EMI Films Ltd. on Jan. 1, continues as the main EMI group board member responsible for film activities.

GARDENS TO-DAY

Fruits and flowers of an absent summer

BY ROBIN LANE FOX

GARDENERS who do not know what they want and then expect somebody else to tell them are not unfamiliar to this column. But there are just as many who know what they want and cannot find it in their local nursery.

Pleasing plant

Reuther of Fox Hill Nurseries, Weston, Kent, is a valuable source of rare rhododendrons for Home Counties growers, but in London this nursery is showing Pomegranate, in flower and fruit together.

Annuals

If I had a London garden and wanted to make the most of it myself, I would join the RHS and a citrus society. I could grow plants in pots and pick up the nurseries catalogues.

APPOINTMENTS

J. H. Macdonald to join Shell Int. Petroleum main Board

Mr. J. H. Macdonald, group treasurer, has been appointed a director of SHELL INTERNATIONAL PETROLEUM COMPANY from October 17.

mauve pompon dahlias may look in village gardens, they remain the most excellent cut-flowers quite different when arranged in separate colours and textures.

Scope

Like other good and noble varieties, they have not been in the fore in the big garden shows. But at the London show, Three Counties Nursery of Watlington, Oxford, was showing two

TV/Radio

Table with columns for BBC 1, 2, 4, and Wales Today, listing programmes and times.

F.T. CROSSWORD PUZZLE No. 3490

Crossword puzzle grid with clues and answers.

LONDON

Table listing TV and radio programmes for London, including BBC 1, 2, 4, and Granada.

ANGLIA

Table listing TV and radio programmes for Anglia, including BBC 2 and ATV.

GRAMPIAN

Table listing TV and radio programmes for Grampian, including BBC 1 and Granada.

ATV

Table listing TV and radio programmes for ATV, including BBC 2 and ATV.

ADVERTISEMENTS

Advertisement for The Independent Order of Foresters, featuring Henry J. Sutcliffe and details of the organization.

Down crossword clues and solutions for puzzle No. 3489.



EUROPEAN NEWS

Economy, EEC on agenda for Barre visit to Bonn

BY JONATHAN CARR

M. RAYMOND Barre, the French Prime Minister, will visit Bonn on Thursday and Friday of next week for talks with Chancellor Helmut Schmidt...

drawn by the Press and Intellectuals in France. M. Barre's visit was agreed in principle by Herr Schmidt and M. Giscard as long ago as July...

BONN, Oct. 11.

WEST GERMAN BUSINESS

Britain back in favour

BY JONATHAN CARR IN BONN

A HIGH-RANKING West German business delegation arrives in London today. Not long ago, such an occasion would have provoked some cynical comment in Germany...

undetermined business confidence. One high Government official said privately he feared the Schöleyer affair might have virtually obliterated the effect of the recent State measures to try to stimulate the economy...

Energy use 'to remain steady'

ESSEN, Oct. 11.

CONSUMPTION of primary energy in West Germany is expected to remain about steady in 1977 compared with 1976, according to figures released by the West German Hard Coal Mining Association...

Plea for life of Schleyer

BY OUR OWN CORRESPONDENT

BONN, Oct. 11.

LEADING WEST German industrialists today held two hours of talks with Chancellor Helmut Schmidt and urged the Government to do all in its power to save the life of Dr. Hans-Martin Schleyer...

Dr. Schleyer was kidnapped more than five weeks ago and threatened with death unless the Government released 11 jailed terrorists and had them flown abroad.

NOTICE OF REDEMPTION To the Holders of ENTE NAZIONALE IDROCARBURI E.N.I. (National Hydrocarbons Authority) 6 3/4% Sinking Fund Debentures due November 1, 1988.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on November 1, 1977 at the principal amount thereof \$290,000 principal amount of said Debentures bearing the following serial numbers:

Table with columns for serial numbers and corresponding values for debentures of U.S. \$1,000 each.

On November 1, 1977, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof...

ENTE NAZIONALE IDROCARBURI By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

Table with columns for serial numbers and corresponding values for debentures of U.S. \$1,000 each.

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ingly to question the future of the social market economy in West Germany—and therefore their own role as entrepreneurs. Their preoccupations emerged clearly at a meeting in Frankfurt last week-end, organised by the opposition Christian Democratic Party and attended by a wide cross-section of German business.

Receptive

It has also been recognised here that the British balance of payments will at last improve—and that this will not only have a psychological impact inside Britain but will alter the way Britain is viewed from outside. True, many German industrialists fear Britain may simply use its oil revenue as an excuse to delay essential economic reform.

Balance

The German Government and the trade unions naturally feel the managers protest too much. And the businessmen in other European countries no doubt feel that their plight is just as bad. But the German complaint does not come from a fringe of inefficient managers seeking scapegoats. They come from a majority of those who fully accept the "social" component of the social market economy but seriously object not just to their disadvantage but ultimately to that of the country.

Warning on management, union relations

By Our Own Correspondent

BONN, Oct. 11.

THE NEW West German Economics Minister, Count Otto Lambsdorff, strongly warned today against taking for granted the social partnership between management and trade unions.

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# Brezhnev likely to visit U.K.

BY DAVID LASCELLES

MOSCOW, Oct. 12.

MR. LEONID BREZHNEV, the Soviet President, is now clearly intending to visit Britain in the near future, following two days of talks between Dr. David Owen, the British Foreign Secretary, and Soviet leaders, described by the British side as surprisingly successful.

A statement by Tass, the official Soviet news agency, said that discussions will now take place about fixing a suitable date for a visit by Mr. Brezhnev.

Following last night's Kremlin ceremony, attended by the entire Soviet leadership, Dr. Owen held a second round of talks with Mr. Andrei Gromyko, the British counterpart, in which the British tried to win more positive Soviet support for their Rhodesia initiative.

Dr. Owen told a Press conference before his departure for London: "I think the Russians have misgivings about our initiative but are prepared to give us the benefit of the doubt."

British Foreign Secretary also sought elucidation of the Soviet position on the Horn of Africa. There was a feeling that both sides had their problems in Africa, and should be mutually sympathetic.

Dr. Owen also called today on Mr. Vladimir Kirilkin, the chairman of the State Committee for Science and Technology, and Russian co-chairman of the Anglo-Soviet Joint Commission.

He stressed that Britain was keen to export more to the Soviet Union to balance out its huge deficit in trade with that country. Dr. Owen told the Press conference that several large contracts were under negotiation, or on the point of being signed, but he would not say what they were. He also promised to look for ways in granting British visas to Soviet businessmen.

On East-West relations, Dr. Owen surprised the Press conference by saying that he had not made an exceptional issue of human rights but treated it as just a part of the detente process. Nor, it is understood, did he raise individual cases, privately with Mr. Gromyko as it had been suggested he might. It was felt this was better handled at a lower level.

Although little concrete substance has emerged from Dr. Owen's meetings here, the Russians have given Dr. Owen an impressive welcome, and have obviously been keen for an exchange of views at the highest level. According to the official communiqué published here tonight, the atmosphere of Dr. Owen's visit was businesslike and friendly, and it produced a "constructive discussion" on bilateral relations and world problems in general.

# Callaghan EEC view defended by Silkin

By Robin Reeves

LUXEMBOURG, Oct. 11.

MR. JOHN SILKIN, the U.K. Minister of Agriculture, hit back here today at Common Market criticism of the recent letter from Mr. James Callaghan, the British Premier, setting out the Government's long-term EEC strategy.

During a break in the proceedings of an EEC Council of Agriculture Ministers meeting, Mr. Silkin told journalists: "As far as the U.K. is concerned, federation never was our idea of the future of the Community."

In his controversial letter to Mr. Ron Hayward, General Secretary of the Labour Party, Mr. Callaghan explained that the Government's EEC policy would be guided by need to uphold the sovereignty of government, to pursue their own industrial, economic and regional policies, and reform the Common Agricultural Policy.

At the same time he emphasised that the enlargement of the Community to include Spain, Greece and Portugal would reduce the danger that it would become over-centralised.

Mr. Silkin expressed surprise at criticisms of the letter. "Nobody should have been in any doubt as to the position of the U.K. or the experience of the past year."

# SPANISH ANTI-TERRORIST MOVE

# Cabinet finalises new Bill

BY DIANA SMITH

MADRID, Oct. 11.

THE SPANISH Cabinet is putting the finishing touches to an anti-terrorist Bill which will be discussed on Thursday with parliamentary opposition leaders.

Following the assassination on Saturday of the Governor of the Basque province of Vizcaya, for which the military wing of the Basque separatist organisation ETA claimed responsibility, both Government and opposition have agreed on the urgent need for measures to deal with terrorism.

The Cabinet draft, leaked to the news agency Europa Press this afternoon, was apparently prepared some weeks ago. In its introduction, it states that Spain is following the course set by other countries in introducing special legislation to deal with terrorists.

One of the main sections of the eight-page draft urges a "clear definition of terrorist acts and of associations set up for this purpose, with intent to put such acts into practice."

The draft calls for the creation of a police unit with special powers (subject to appropriate legal control). These powers would permit the imposition of prolonged preventive detention, dispensing with search warrants and authority to keep prisoners sentenced for terrorism (or offences awaiting trial for acts of terrorism) incommunicado.

The draft also suggests granting the special police force permission to tap telephones and open the correspondence of persons suspected of terrorism. It also suggests a "ban on media interference in the authorities' anti-terrorist activities" possibly including suppression of news about these activities.

Finally, the draft suggests that people who are involved in terrorism and who "co-operate effectively with the authorities in the detection and identification of terrorist organisations, and naming of their members" will receive reduced sentences or acquittal.

Thursday's discussion of the anti-terrorist proposals is stage two of the new Government's Opposition efforts to "work in close co-operation on important measures."

# Briton shares Nobel Prize for physics

BY WILLIAM DULLFORCE

STOCKHOLM, Oct. 11.

THE 1977 NOBEL prize for physics has been awarded jointly to Sir Nevill Mott, of Britain, and two Americans, Prof. John H. van Vleck, of Harvard University, and Dr. Philip W. Anderson, of the Bell Telephone Laboratories.

Their investigations into the electronic structure of magnetic and disordered systems.

Sir Nevill refined the so-called band theory, which describes the electrical properties of crystals, but which is not universally valid—to take into account the electron-electron interaction in disordered systems.

This in turn led him to study the so-called Mott transitions, by which certain metals can become insulators.

Prof. van Vleck has been called "the father of modern magnetism" for developing methods which make it possible to understand how a foreign ion or atom behaves in a crystal.

The work of all three prize-winners is described as having gone "far beyond conventional theories with direct importance for experimental work and technology."

Prof. Prigogine, 60, won the chemistry prize for successfully extending thermodynamic theory to systems which do not exist in thermodynamic equilibrium. He has shown that a new form of ordered structures, to which he has given the name "dissipative structures," can exist under conditions which are far from such equilibrium.

The chemistry prize goes to a Belgian, Prof. Ilya Prigogine, for his contributions to non-equilibrium thermodynamics and, in particular, to the theory of dissipative structures. Each prize announced today by the Royal Swedish Academy of Sciences, is worth Kr.700,000 (\$22,350).

Sir Nevill, 72, the Cavendish emeritus professor at Cambridge University, shares the Physics Prize for his work on the electronic processes which take place in non-crystalline (amorphous) materials. Working independently, he and Dr. Anderson have "created a multitude of new concepts which have turned out to be central for the understanding of disordered materials," according to the Academy citation.

"Disordered materials" are glass-like substances in which the atoms form no regular crystal lattices. It is extremely difficult to explain such materials theoretically.

In 1958, Dr. Anderson showed under what conditions

# Public spending to be cut 10%

BY OUR OWN CORRESPONDENT

MADRID, Oct. 11.

THE SPANISH Government is information on all state activities. In the past, information on state budget forecast was the only 40 per cent of these activities has been available.

He added that there will now be strict supervision of state spending, and that a commission by decentralise public spending is to be set up. It will handle 1978 budget requests to the ministry accounts for Spanish regions.

Furthermore, the central security budget has been cut by 20 per cent.

The Treasury Minister, Sr. Fernandez Ordóñez, has stated that for the first time, the Treasury would have full financial surpluses given to civil servants soon.

After that, their wages, and those of employees of state-owned companies, will be frozen for a year.

The 22 per cent wage ceiling, proposed at the week-end by the government and accepted by parliamentary opposition parties, is now being studied by the trade unions.

Small anarchist and extreme Left unions have already rejected the wage ceiling. This indicates that strikes, often instigated by them, which hit Spanish industry in Spring and Summer are likely to continue.

# Tito's wife will miss French trip

BELGRADE, Oct. 11.

A YUGOSLAV Foreign Ministry spokesman today denied rumours that President Tito's wife is ill but would not explain why she has not been seen in public since June.

The denial of the spreading stories that Mrs. Jovanka Broz was under medical treatment appeared to support reports that she is under a political cloud.

The spokesman confirmed that Mrs. Broz would not accompany the President on his trip to France and Portugal beginning Wednesday.

# Greek Cabinet changes pave way for poll

By Our Own Correspondent

ATHENS, Oct. 11.

THREE CABINET ministers are to be replaced as part of Government measures announced today to enable constitutional elections on November 20.

A Ministry of Press statement said the Ministers of the Interior, Justice and Northern Greece will be replaced by personalities not involved in politics. The move will take place on October 20 when the present parliament will be dissolved and the pre-electoral period will officially begin.

On the same day, all 41 under-secretaries of State will be asked to resign and their duties will be taken over by their respective ministers.

The civil guard, the countryside, except for the Aegean Islands, will be disbanded 30 days before the elections.

An inter-party committee will be formed to deal with matters arising during the electoral campaign, and with the allotment of time on the country's State-controlled radio and television.

# Human rights call by Baudouin in Poland

By Christopher Bobinski

WARSAW, Oct. 11.

KING BAUDOIN of Belgium, in Poland on a four-day official visit, told a dinner in his honour last night that "respect for human rights is an important element of peace."

The King's audience included Party Leader Edward Gierek and Polish Premier Piotr Jaroszewicz.

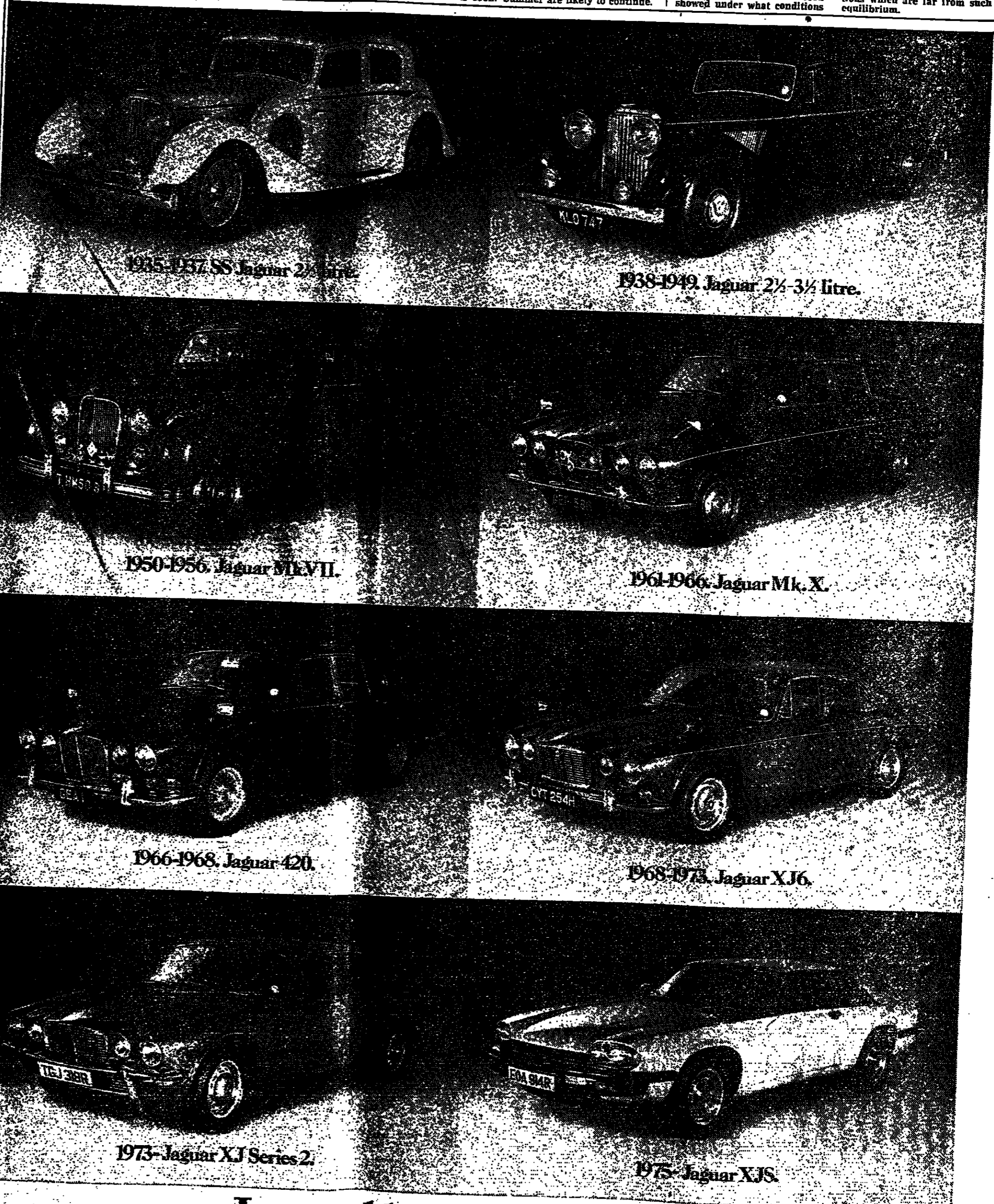
# Portugal cabinet unrest reported

LISBON, Oct. 11.

THE PORTUGUESE Prime Minister, Sr. Mario Soares, held an emergency cabinet meeting today as the Press here reported that several of his ministers were preparing to resign. The reports were prompted by the unexpected resignation yesterday of the Foreign Minister, Sr. Jose Medeiros Ferreira, who has given no reason for quitting.

But politicians said that it stemmed from his foreign policy proposals being frequently over-ruled by Sr. Soares. Among these decisions was that of Sr. Soares to extend diplomatic relations to Israel, which Sr. Ferreira opposed.

Sr. Soares has been talking with the conservative Centre Democrats and Social Democrats about forming an informal coalition, thus causing speculation about a cabinet reshuffle.



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OVERSEAS NEWS

Kaunda plan to cut copper reliance

BY OUR FOREIGN STAFF

PRESIDENT KENNETH Kaunda of Zambia urged the National Assembly yesterday to endorse a crash programme of economic measures designed to lessen dependence on copper exports by boosting the agricultural sector as a hard currency earner. In a 40-minute address, during which he also announced that general elections would be held on a schedule next year—there had been speculation that polling would be postponed—Mr. Kaunda said over-stuffed Ministries would be pruned and civil servants sent to the land to provide some of the manpower for the projected agricultural revival.

S. Africa 'still able to borrow overseas'

By Quentin Peel

PRETORIA, Oct. 11. THE SOUTH AFRICAN Government is still in the process of being "sanctified," he said. However, he admitted that whatever money was available to South Africa was on considerably shorter terms than had traditionally been the case—a maximum of four to five years instead of eight to nine years. Senator Horwood said he had provided, in his budget, for total foreign capital requirements of R2nd 138m. (\$98m) for loan renewals. He now believed it would be possible to better that target.

Bhutto denies murder charge

BY SIMON HENDERSON

ISLAMABAD, Oct. 11.

MR Z. A. BHUTTO, Pakistan's former Prime Minister, pleaded not guilty today when he was formally charged with murder at the Lahore High Court. The case is one of several outstanding charges against him, including contempt of court and illegal imprisonment of his opponents. It is also expected that General Zia-ul-Haq will charge him with corruption and the abuse of power. General Zia, announcing last week the indefinite postponement of elections due on October 18, gave as the main reason for his action the need for voters to hear first the verdicts of the courts on the accusations against Mr. Bhutto.

Victoria strike hopes

BY RICHARD JOHNS, MIDDLE EAST EDITOR

MELBOURNE, Oct. 11.

UNION LEADER Bob Hawke today reported the first breakthrough in a nine-week power strike that has thrown about 300,000 people out of work. The strike by power station maintenance workers in Victoria state of "Victoria has led to a change in attitude," he said. General Zia-ul-Haq will charge him with corruption and the abuse of power. General Zia, announcing last week the indefinite postponement of elections due on October 18, gave as the main reason for his action the need for voters to hear first the verdicts of the courts on the accusations against Mr. Bhutto.

Impasse over withdrawal

BY RICHARD JOHNS, MIDDLE EAST EDITOR

KHIAAM, Oct. 11.

IMPLEMENTATION of the agreement providing for the withdrawal of Palestinian forces from areas in southern Lebanon is threatened by their refusal to pull out unless the right-wing Christian forces confronting them, and backed by Israel, do the same. The Israeli Palestinian commander at Khiam, focal point of 10 days of fighting last month, said this afternoon that he would not withdraw his forces until the Lebanese army force being prepared to man the southern border areas had been completely withdrawn. He said this was the official policy of the at Fatah leadership.

Press complaint by Kruger

By Our Own Correspondent

JOHANNESBURG, Oct. 11.

MR. JAMES KRUGER, the South African Minister of Police, has lodged for a second time an urgent complaint with the Press Council over newspaper comment on his handling of circumstances surrounding the death in detention of the black leader, Mr. Steve Biko. Mr. Kruger called to-night for an immediate hearing by the quasi-judicial body of his complaint, which is being heard before the council over a headline on the Biko case. In its editorial yesterday, the World criticised Mr. Kruger's action against the Rand Daily Mail as a "scandalous public demonstration of the way in which the myth held in many quarters that South Africa is a free Press."

Martin Dickson assesses the importance of the reforms introduced by President Mobutu in Zaire

Planning devolution, but keeping the reins of power

WHEN A man knows he is to be hanged in a fortnight, observed Dr. Johnson, he concentrates his mind wonderfully. The invasion of Zaire's Shaba province earlier this year had a similar effect on President Mobutu Sese Seko, prompting him into a reorganisation of his country's political, economic and administrative systems designed to restore his battered prestige both at home and abroad. This is why elections are being held this month for municipal councils, a new legislative assembly, and to select members of the Political Bureau of the Popular Movement of the Revolution (MPR), the supreme organ of the country's sole party, a process that began last week-end. The regulations for the polls mark a distinct change from Zaire's past electoral practice. In the 1975 elections for the Legislative Assembly, only one candidate, selected by the MPR, stood in each constituency, and candidates were merely approved by acclamation at public meetings. This time, says Dr. Johnson, candidates have been chosen at local level and people have the chance to vote for them at the ballot box. On paper at least, the new polling format should inject a degree of elective democracy into Zaire's strongly centralised and highly personalised political system. However, the bodies to which people are being elected have very little power. The Government of Zaire remains very much a one-man band, dominated by President Mobutu. A strong concentration of power is perhaps understandable in a country almost the size of Western Europe, with extreme ethnic diversity, strong centrifugal tendencies and the legacy of the Katanga secessionist movement of the early 1960s. President Mobutu's fears of loosening his hold over the reins of authority can only have been increased by the invasion of Shaba on March 23 this year by a group of former Katanga secessionists. Although no organised opposition to his reformed system has emerged, diplomats there feared that President Mobutu's 12-year-old regime might not survive the storm, particularly since the country was already facing chronic economic difficulties. With the invasion crushed, President Mobutu knew that the Western allies who came to his aid would be expecting political changes. Countries such as France, Belgium and the U.S., anxious to stem the spread of communism in Africa, would want to see an effective government in Kinshasa, yet not one that would reinforce the Head of State's dictatorial image. For his part, President Mobutu needed to overcome the humiliation inflicted at home by the Shaba invasion and restore confidence among Zaire's international creditors. The country has foreign debts of between \$2bn and \$3bn. The upshot was a series of reforms announced in a speech on July 1. The central message was that over-centralisation ran the risk of "asphyxiating" Zaire's political, economic and administrative systems. There must be a devolution of responsibility to the regions. In the political sphere, for example, this means that the majority of members of the MPR Political Bureau will now not only be elected but will also come from the regions. Economically, a Ministry of Rural Development, is being created to boost production and reverse the drift from the land, and an audit office introduced to oversee Government spending—lack of control over which has been attributed to Zaire's vast debt burden. There are also plans for greater regional economic independence through local planning councils. In the administrative sphere, President Mobutu announced that the Commissioners of Zaire's eight regions would be given local control over the army, police and regional Government departments. While it may yet be too early to judge the reforms, there is strong scepticism about whether they will have much effect. Even if President Mobutu genuinely wants some devolution of power, can he afford it, given Zaire's divisive tendencies? The regional commissioners' extra powers will not diminish the President's control, since he appoints them and their first allegiance is to him. As regards the central government, all the indications are that President Mobutu intends to retain as tight a grip as ever. In a Cabinet reshuffle following his

AMERICAN NEWS

U.S. trade deficit 'same size next year'

By Our Own Correspondent

WASHINGTON, Oct. 11.

THE U.S. trade deficit next year will be about the same size as it has been this year, a senior Administration economist conceded today. Mr. William Nordhaus, a member of the President's Council of Economic Advisors, said that this year's deficit would probably reach \$30bn, nearly five times higher than the previous record. It would be "about the same" in 1980.

SALT produces 'major shifts by both sides'

By DAVID BELL

WASHINGTON, Oct. 11.

A TENTATIVE agreement in the strategic arms limitation talks (SALT) between the U.S. and the Soviet Union involves significant concessions by both sides, according to reports here. The New York Times reported this morning that the U.S. has agreed its opposition to Soviet claims to modernize the Russian heavy missile fleet. In return, the Soviet Union is said to have agreed to cut its overall missile total by about 300 and to agree to only a "temporary" limitation by the U.S. on the range of the American anti-missile Cruise missile. Although there was no official confirmation today, there were indications that the report is broadly accurate. If so, it may well mean considerable opposition in Congress to the agreement, where some of President Carter's other foreign policy initiatives are already under great pressure. The Russians appear to have accepted the so-called three-tier proposal for a new eight-year agreement in May by Mr. Cyrus Vance, the U.S. Secretary of State. The key first element of this would be a three-year protocol which would allow the Russians to upgrade their 300 heavy missiles, like the SS-18, to intermediate range. They would accept a temporary 1,500-mile limit on the range of Cruise missiles launched from aircraft. As before, however, the Cruise missile and the limits the plan would impose on it, are likely to become the subject of much controversy. The reported U.S. agreement would seem to prohibit the testing of land or sea-launched Cruises with a range of more than 300 miles, and because of the overall limits tests provided that they are launched.

Canadian \$ continues to slide

By JAMES SCOTT

TORONTO, Oct. 11.

THE RISE in Canada's unemployment rate last month to the highest level since the depression of the 1950s, together with bleak forecasts for the economy have knocked the Canadian dollar down to its lowest level in 10 years, in relation to the U.S. dollar. For the past week, the dollar has been sliding rapidly and now is below 92 US cents, down more than 1 cent in less than a week. Adjusted for seasonal variations, the unemployment rate rose to 8.5 per cent. Nearly 80,000 people were looking for work compared with 100,000 in employment a year ago of 670,000. The market is becoming increasingly concerned by the hand-out orders being followed by the Canadian Government's exchange traders. The exchange bank account operated by the Bank of Canada on behalf of the Federal Government, has so far intervened only to the extent of something out some of the humps. There is no sign that Ottawa is prepared to defend any particular level for the currency, a policy that contrasts with the hands-off approach being undertaken by European central banks to help prop up the U.S. dollar. Despite these efforts, the U.S. dollar has been falling against other major currencies such as

Nigeria leader visits Carter

By Our Own Correspondent

WASHINGTON, Oct. 11.

PRESIDENT CARTER and Gen. Olusegun Obasanjo, the Nigerian Head of State, agreed today that failure to reach a "peaceful negotiated settlement" in Rhodesia would "lead inevitably to steadily increasing bloodshed." The two men talked for more than two hours after lunch in the White House. The Nigerian leader said that the dramatic improvement in U.S.-Nigerian relations since Mr. Carter became President has been a significant factor in his decision to visit Lagos himself next month as part of his world tour. Mr. Obasanjo, the President's Press Secretary, said that among other things, the two leaders discussed the possible Nigerian participation in a peacekeeping force in Rhodesia. But he said it would be up to the Nigerians to make their position clear on this issue. The General is to give a Press conference on Thursday morning. The two leaders agreed, according to Mr. Powell, that the current U.S. proposals for a settlement in Rhodesia were making progress and that Obasanjo returned Nigerian support for the plan. The U.S. indicated that it would take "appropriate steps to maintain progress towards a negotiated settlement within the U.S.-U.K. framework."

Yen gains against dollar

By CHARLES SMITH

TOKYO, Oct. 11.

ATTEMPTING steadily against the dollar through most of last week, the yen gained ground today, when the Tokyo Foreign Exchange market reopened, following a three-day holiday. The closing rate to night was Yen236.70 to the dollar, compared with the Yen238.40 at the close of trading on Friday. Today's rate was the second highest recorded since the yen began in 1949 against the dollar in February, 1953. The high rate, reached in July 1973, was Yen254 to the dollar. There is now clearly a distinct possibility that the yen will go on to set new records against the dollar. The Bank of Japan, which intervened actively last week in a short-lived attempt to hold back market forces, has now adopted a wait-and-see attitude. Today's rise occurred on the relatively quiet market, with little or no central bank intervention, and a turnover well below the exceptional levels of last week. The rising yen has begun to affect the Tokyo stock market, which suffered a 4-point decline on the Dow Jones Industrial Average today, bringing the average to its lowest level since early August (Yen132.99). A higher yen threatens to make exports unprofitable for a wide range of Japanese industries, including the strongest sectors such as cars and electronics, which can still stand a considerable amount of further revaluation.

Pension scheme failure warning

By JOHN WYLES

NEW YORK, Oct. 11.

A WARNING that potential failures of multi-employer pension schemes could cost the U.S. economy \$20 billion during the next few years has been sent to Congress by the Pension Benefits Guaranty Corporation. The corporation is required by law to assume guarantee responsibilities on behalf of the federal Government for about 2,000 multi-employer pension plans from January. A gloomy analysis of the financial instability of many of these schemes has been produced in support of legislative proposals to improve the system, so as to allow for amendments to pension laws which could help bring some of the schemes back from the brink of collapse. The corporation estimates that there are about 40 plans covering 385,000 workers which are "experiencing severe financial hardship" and have a high potential for failure within five years if they were guaranteed by the government. It could cost up to \$350m. to meet unfunded liabilities. But a more distant danger is threatening another 200 multi-employer schemes, says the corporation, which could fail sometime after the next five years at a cost to the government of another \$350m. Usually, multi-employer plans cover part of an industry, or all of it, and often involve a number of the same union. The potentially mortal weakness of about 10 per cent of all plans derives in many cases from the decline of the industry which produces or makes deliveries where contributions are increasingly falling to match liabilities. In other cases, according to the corporation, the pension laws are deterring some employers from joining plans and encouraging others to leave. This has been particularly true in the construction industry where contractors are required to put sums of money in escrow to guarantee the liabilities in the event of failure of local construction workers' pension plans in cities where they may occasionally do business.

ON OTHER PAGES

International Company News: Honda results ... 30-31; Farming and Raw Materials: Spanish agriculture problems 37

U.S. trade deficit 'same size next year'

By Our Own Correspondent

WASHINGTON, Oct. 11.

THE U.S. trade deficit next year will be about the same size as it has been this year, a senior Administration economist conceded today. Mr. William Nordhaus, a member of the President's Council of Economic Advisors, said that this year's deficit would probably reach \$30bn, nearly five times higher than the previous record. It would be "about the same" in 1980.

WORLD TRADE NEWS

Future of steel 'tied to Third World'

BY ROY HODSON
A RADICAL shift of world steel making from the industrial nations to the developing nations is believed by many steel industry leaders to be inevitable during the next ten years.

Demand for U.S. action on imports

NEW YORK, Oct. 11
RENEWED DEMANDS for the U.S. government to take further steps to protect industries such as steel, textile and television manufacturing from "unfair" foreign competition were made today in New York.

Confrontation looms over rail policy within Common Market

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT
ANOTHER confrontation over from an agent rather than the importer himself.

Offer to Italians in price row

BY OUR OWN CORRESPONDENT
A DEAL has been offered to certain northern Italian steel producers to secure their future obedience to the compulsory minimum price that the Brussels Commission imposed early in May on steel reinforcing bars.

Call for EEC shoe imports move

BY DAVID BUCHAN
LEADERS of Europe's shoe manufacturers to-day joined the declining of the past five years.

German loan for Greece

BY OUR OWN CORRESPONDENT
ATHENS, Oct. 11
THE State-controlled Hellenic Railways Organisation (OSE) is to receive a DM100m (£24.8m.) loan from a consortium of 11 West German banks and the Greek Ergobank to modernise Greece's railway network.

Ship order for Japanese

BY OUR SHIPPING CORRESPONDENT
LESS than two months after placing a major three-ship order with a British shipbuilder, Ocean Transport and Trading of Liverpool last night announced a bigger order for Japanese and Polish yards.

Nuclear plant for Brazil

TOKYO, Oct. 11
WEST GERMANY will fulfil its contract to sell a nuclear power plant to Brazil despite opposition from the United States.

German loan for Greece

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Clayton in £8m. Dubai contract

BY RHYD DAVID
CLAYTON, SON, the Leeds-based construction engineer, has won an £8m. contract to supply aluminium and pot equipment to the \$600m. Dubai aluminium project.

Choose a computer that keeps pace with your business.

Advertisement for NCR computers featuring cartoon characters and text: 'Your business can expand, explode, merge, take-over, diversify or just plain grow and we've computer systems that'll grow with it.'

Advertisement for Strathclyde Industrial Development featuring a map and text: 'Three days of significant opportunity for all industrialists interested in developing in Strathclyde, Scotland's major Region.'

BAC £13m. space deal

Financial Times Reporter
THE BRITISH Aircraft Corporation's electronic and space systems division has been awarded contracts worth £13.3m. for work on the space telescope being developed jointly in Europe and the U.S.

Westinghouse wins Morocco contract

WESTINGHOUSE Electric of the U.S. has been awarded a major contract by the Kingdom of Morocco for development and installation of a modern integrated air defence system, AF-DJ reports.

Zambian exports

Zambian President Kenneth Kaunda has stated that an economic council will be set up to monitor a planned export drive to reduce the country's dependence on copper exports for foreign exchange earnings.

HOME NEWS

CBI against reflationary package in early November

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE CHANCELLOR of the Exchequer will be urged by the CBI next week not to give any stimulus to the economy until after the progress of the present wages policy begins to emerge in November and December.

When the CBI leaders meet the Chancellor next Wednesday a few hours before the CBI council holds its monthly meeting, they will argue for a cautious line on reflation.

They will point out that a fall in the price of oil has already been pumped into the economy which will boost consumer demand.

Du Pont to invest \$50m. in Ulster

By Kevin Donohue, Chemicals Correspondent

DU PONT, the largest U.S. chemicals company, has finally given the go-ahead for a \$50m. (25m.) modernisation programme at its neoprene synthetic rubber plant at Maydown, Northern Ireland.

Car and van outputs rise

PRODUCTION of passenger cars and commercial vehicles in the U.K. rose in September compared with the previous September. Car production at 110,000 was nearly 43 per cent up on August and 12.2 per cent up on September 1976.

Powell attack

Mr. Enoch Powell last night accused the Bank of England of "deliberately courting a renewed bout of inflation" by buying foreign currencies.

Files on Midlands businessman for DPP

By John Brennan, Property Correspondent

NOTTINGHAMSHIRE Police have now submitted files of their investigations into the affairs of Midlands businessman, Mr. Douglas Gascoigne, to the Director of Public Prosecutions.

Mr. Gascoigne, who is chairman of the Yeston Minister Homes housing building division of the publicly quoted John Felkes Heffo, has been the subject of two police investigations over the past six months.

The files relating to Mr. Gascoigne's activities as clerk to the Southwell Parish Council near Nottingham, were passed to the DPP some weeks ago.

Prominent

Mr. Gascoigne was questioned by the police about his parish council role. But he says that he was not approached about the second investigation into his housebuilding interests, and comments that "I have no idea whatsoever what the complaints are about."

Leyland Cars promise no cutback on machine tools

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

LEYLAND CARS has given assurances to machine tool manufacturers that there has been no cutback in its requirements.

These forecasts have not changed significantly in the past year, according to the MTTA. In the medium term, the Mini project would involve the purchase of about 110m. of machine tools, many of them from the U.K.

Labour drive to win student members

By Philip Rawstone

THE LABOUR PARTY launched yesterday its biggest recruitment campaign in universities, polytechnics and education colleges.

Four Cabinet Ministers, Mr. Anthony Wedgwood Benn, Mr. Stan Orme, Mr. David Ennals and Mrs. Shirley Williams, are to lead the drive for new members by the National Organisation of Labour Students.

Tyneside shiprepair regrouping will not reduce workforce

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THERE WILL BE no reduction in the workforce of the Tyneside shiprepairing industry as a result of a regrouping of six yards announced yesterday.

This impression was strengthened when Mr. Butler was named first as chief executive of the three yards in the North East Coast Shiprepairers group in August.

Our South Shields correspondent writes: A combined operation by British Shipbuilders and its suppliers to cut costs by 20 per cent to meet world-wide competition was urged yesterday by Admiral Sir Anthony Gifford, chairman of the new State corporation, opening a north east engineering exhibition, at Gosforth Park, Newcastle and stressing the urgent need for orders in the industry.

GLC welcomes homes sale policy

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE Greater London Council yesterday welcomed the Government's readiness to see more building for sale by local authorities.

which underlined the Government's readiness to see more building for sale by local authorities. This type of development, the handbook states, is usually the product of close collaboration between local authorities and housebuilders and it sets out some of the options open to any body considering such schemes.

acceptance of the role which local authorities could play in providing homes for the private sector. "There is absolutely no difference in the policy which Mr. Peter Shore, Secretary for the Environment, is now putting forward and the policy we have put forward for years."

WANG

Advertisement for Wang word processing systems. Features include: 'REPLACE WHAT? REPLACE BY?' Typewriter Word Processor; 'SEARCH FOR WHAT?'; 'DELETE WHAT?'; 'INSERT WHAT?'. Includes a photo of a woman using the system.

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If you have to produce reports, specifications, manuals, contracts or mailings you'll find word processing a great help. If you choose the right system. The problem many people find with word processing systems is that the operator rejects the system. Especially if they're used to automatic typewriters. Wang have put that right.



Legal & General's unit drive

FINANCIAL TIMES REPORTER

A BIG EFFORT is being made by Legal and General Life Assurance, the largest pension-company in Europe and the second largest life assurance group in the U.K., to become dominant in the unlinked life assurance sector.

that the regular savings policy provides the minimum death cover consistent with eligibility for tax relief. The minimum monthly premium is £50 more than twice the usual market limit.

The pensions contracts will be confined to two specialist areas: the self-employed and the controlling director markets—both of which have been areas of high potential business this year.

ILEA study for minority group areas

By Michael Dixon, Education Correspondent

A THOROUGH study of Inner London's educational services for minority racial groups was announced by the Inner London Education Authority yesterday.

'Real' American cigarette launched in Britain

BY STUART ALEXANDER

THE FIRST authentic American cigarette has been launched on the U.K. market. The cigarette, called the Decade, is manufactured by Liggett and Myers and contains flavour additives, which have been allowed in the U.K. only since October 1.

Tissue is barrier to disease

BY DAVID FREUD

THE SURREY drug manufacturer Sterling-Winthrop has developed a barrier tissue which should reduce food poisoning and other touch-transmitted diseases.

Mitchell wins contract to manage village

By Our Industrial Staff

THE £2.5m. contract to manage Sullom Voe terminal workforce village in the Shetland Islands—Tof village—has been won by Mitchell Construction, part of the Tarmac Group.

Ezra stresses need for new coal technology

BY JOHN LLOYD, INDUSTRIAL STAFF

A CONTINUING rise in production through the application of new technology is essential if coal is to play the role required in future world energy supply.

The tissue, which goes on sale next month, contains a layer of the soluble polyvinyl alcohol inside a paper sandwich. It will be available in both roll and handkerchief tissue forms.

1978 Avenger

CHRYSLER IS to modify its 1978 Avenger range to include electronic ignition and stiffer suspension for a claimed improved ride and handling.

Council opposes mines

BY JOHN LLOYD

PLANS BY the National Coal Board to start new open cast mines in Northumberland are to be opposed by the county council on environmental and transport grounds.

Philip Lund, assistant county planning officer, said yesterday that while the council still had to be satisfied about some local safeguards at Toston, it should be able to allow work to proceed.



# "It's hardly a licence to print money."

For any British youngster, North Sea oil is a fact of daily life that seems always to have been with us—like television, perhaps, or fish fingers.

Not quite so. The whole vast spread of North Sea oil activity came to life less than 20 years ago—in 1959, on the coast of Holland at Groningen, when one of the largest natural gas fields in the world was discovered. Since oil and gas frequently occur in the same area, and since the geologic basin in which the Groningen discovery was made extends under the North Sea, the Groningen find raised hopes for oil and gas production in the North Sea.

The study of possible oil-bearing rock formations beneath the sea bed off Britain's coast began in 1962. Two years later, the Continental Shelf Act was passed by Parliament; in September, 1964, the government issued the first licences "to search and bore for, and get, petroleum".

There have been five licensing rounds so far, the most recent in the early part of this year. By September, 1977, a total of 246 licences had been awarded, most of them in the North Sea and the balance in the Irish Sea, in Cardigan Bay and the Celtic Sea, and in the Atlantic west of Shetland and the Orkney Islands.

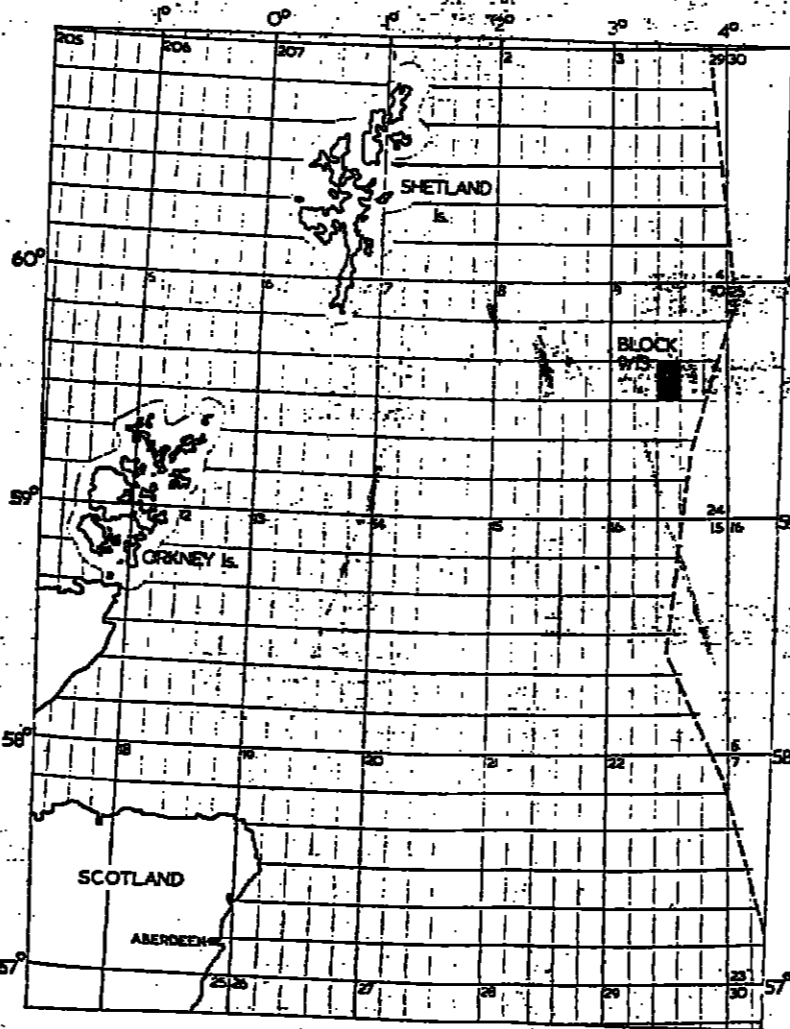
For licensing purposes, the Continental Shelf has been divided into a draughtsboard of 'blocks', each 75 to 100 square miles in area. The licensing process begins when the Department of Energy offers exploration and producing rights in certain of these blocks. After studying survey results on the likelihood of finding oil in the blocks, companies submit

detailed applications to the government, setting out what they expect to find and how they would explore and develop the acreage. It is common for several companies to form partnerships, because of the tremendously high costs involved in the search for oil.

Companies' financial and technical capability, previous licence experience and relevant exploration work are among the main criteria used by the government in judging applications.

When a licence is first issued, it is only valid for six to seven years. At the end of the initial term, the licence can be extended for 30 to 40 years. But the licence-holder must, at the same time, turn back to the government a major part of the acreage covered by the licence. If it wishes, the government may elect to offer this 'relinquished' acreage to all applicants in subsequent licensing rounds. The licence lays down a yearly rent for the block and general regulations governing exploration and producing activities.

"It's hardly a licence to print money", comments Mobil lawyer Vivien Gall. "On the contrary, meeting the terms and regulations requires you to spend vast sums of money, but with no assurance that you will ever get any of it back".



Description of Licensed Area

The sea area bounded by lines joining the following co-ordinates on European Datum:

- (1) 59° 40' 00"N : 1° 24' 00"E
- (2) 59° 40' 00"N : 1° 36' 00"E
- (3) 59° 30' 00"N : 1° 36' 00"E
- (4) 59° 30' 00"N : 1° 24' 00"E

The Common Seal of Mobil Producing North Sea Limited was herewith affixed in the presence of

*[Signature]* Director  
*[Signature]* Secretary





Like the time an Avis manager, returning from abroad, found that his car had been rented out due to a sudden demand for cars, and had to travel home by public transport.

Like the time a customer turned up at our Glasgow airport desk. He was in a panic because he was late for a lecture he was giving at the University. No Avis car was available, so one of our Avis girls lent him her own for the evening.

Like our one-day, one-way rental service. Pick a car up here, leave it there.

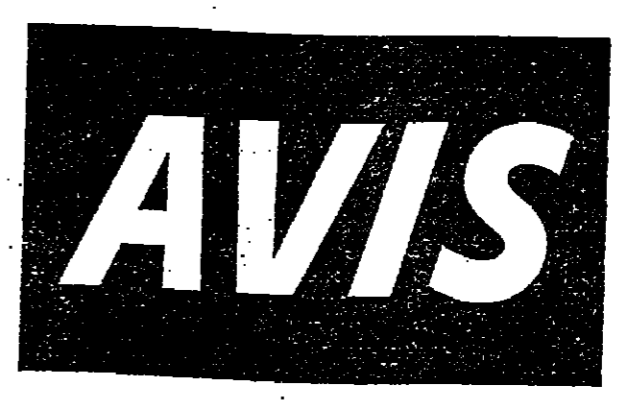
Like the condition and newness of our cars; few are older than 9 months.

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THE CONSERVATIVES AT BLACKPOOL

Prior backed on closed shop

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE OFFICIAL Tory policy on the closed shop was approved by the Conservative party conference yesterday after Mr. James Prior, shadow Secretary for Employment, told delegates that it was a fair and realistic way of remedying abuses by agreement and a code of practice rather than by the law.

Ballot of employees planned

The policy principles laid down in the booklet, "The Right Approach to the Economy," state: "Where a union seeks a closed shop, a ballot of employees would be held. Only if a massive majority voted in favour would negotiations proceed."

He also stressed that a Conservative administration would insist on a journalist's right not to belong to a trade union and would not allow a closed shop to exist in the Civil Service.

'Rule by union hatchmen'

Proposing the motion, Mrs. Rosemary Brown, Newham North West, accused Left-wingers in the unions of using the battle cry of solidarity in order to crush the individual. A closed shop meant the rule of the union hatchmen.



Platform applause for Mr. Prior from Sir Keith Joseph (far left), a party leader, Mrs. Thatcher (right) after his speech to conference.

Party displays flair for harmony

BY RUPERT CORNWELL

THE ONLY real question before yesterday's hallowed "debate" on industrial relations was how the Great Split would be patched up.

First, there was Mr. Edward Heath, striding up to take his place on the platform alongside his soul-mate, Sir Keith Joseph, to the ecstatically fond reception Conservatives kept for those they have recently cut down.

The conference chairman, Mr. David Sells, had also done his bit by deciding after "extremely careful consideration" (you bet) not to call any of the four amendments tabled, thus leaving the motion in its original state of perfect blandness.

Heath warns on jobless rise

BY RUPERT CORNWELL, LOBBY STAFF

MR. EDWARD HEATH warned yesterday that if unemployment reached 10 per cent, the frustration it engendered could turn against Britain's democratic and Parliamentary economic system for having failed to provide an answer.

Banking

Employers wanted to conquer inflation but then put up wages, while the unions demanded new investment to generate jobs and then insisted that profits, instead of being ploughed back, should be used to increase pay.

Overmanning hits living standards—Sir Keith

BY IVOR OWEN, PARLIAMENTARY STAFF

AN UNCOMPROMISING denunciation of the misuse of trade union power was made by Sir Keith Joseph, party spokesman on industry, when he called for the ending of overmanning, restrictive practices and unnecessary overtime.

In a speech which won applause from the platform and the floor, he made no concession to those who have urged him to soft pedal his criticisms of the unions.

Nott pledges war on bureaucracy

BY IVOR OWEN

WHITEHALL'S grip on industry and commerce will be loosened by the next Conservative Government, Mr. John Nott, party spokesman on trade, assured conference.

Six-point charter proposed to improve comprehensives

BY JOHN HUNT

THE FIRST standing ovation of the conference was given to Mr. Norman St. John Stevas, party spokesman on education, after a rousing speech in which he called for a return to traditional moral and religious values in schools and promised a six-point charter to improve comprehensives if the Tories are returned to power.

He cheered delegates with acid jibes at the Labour Government, describing Mr. Callaghan and Mrs. Shirley Williams as the "diabolical duo" who were hell bent on denying to others the educational advantages which they and their own children enjoyed.

Advertisement for Hogg Robinson, featuring the headline 'COMPUTERS NEVER MAKE MISTAKES.' The text describes computer services and includes contact information for Hogg Robinson, The International Insurance Group.

Advertisement for TES (Telephone Services), featuring the headline 'besides p... we also su... services. TES Telephone Midland Street, Lo...'

Handwritten signature or scribble at the bottom of the page.

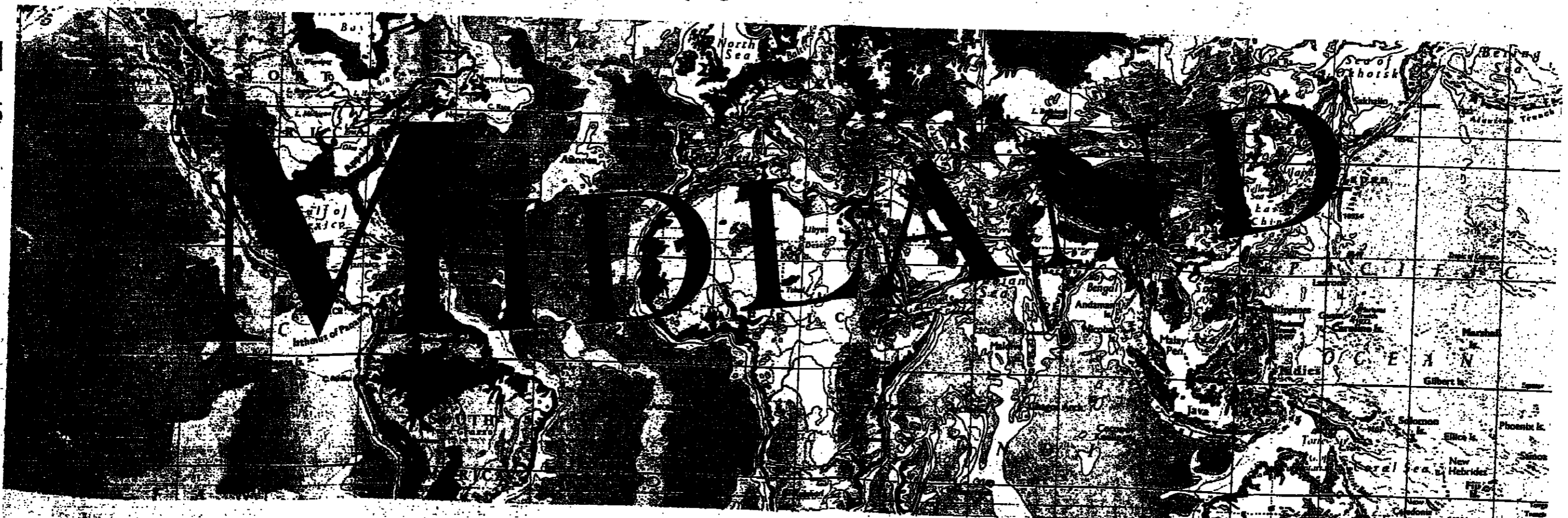
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The Financial Times

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**Midland Bank International  Delivers.**

Map by George Philby and Son Ltd. © 1977.

# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● SAFETY

### Gas piping made free from flaws

EXPERIENCE gained by Du Pont in the inspection of polyethylene plastic pipe for natural gas distribution, among other things, has led the company to offer the equipment used, and the methods, to other makers of such pipe.

Basis of the inspection method is ultrasonics and the machinery to do this work was developed jointly by Du Pont and Sonic Instruments Inc. of Trenton, New Jersey, U.S.

At the end of the extrusion line, the pipe passes into a water bath containing one or two transducers, depending on pipe diameter, that rotate around the pipe as it is drawn through, emitting ultrasonic pulses.

These pass through the water to the pipe surface and send back a double echo as they meet first the outside of the pipe wall and then the inside.

A detector picks up these reflections and determines the interval between the two from which the thickness of the wall can be derived. The combination of the pulse rate of 3000 per second and the fast rotation of the transducer heads around the pipe (2000 rpm) produces a virtually continuous scanning or inspection band along the pipe.

A permanent record is made on graph paper showing flaws in a continuous reading of the pipe thickness with identifiers such as specifications, pipe lot numbers and individual coil or slick number.

The company is considering the equipment as a means of refining the production process for a great variety of plastics pipe, including a range of pipes for the extrusion equipment.

Readout of data from the weighbridge can be positioned up to 1,000 feet away and various types of data collection units may be used.

The first weighbridge of this type has been supplied to Amey Roadstone Corporation for use in a sand and gravel pit at Bradwell, Essex. It has a capacity of 50 tons and measures 16 metres by 3 metres. One of the main factors leading to the selection of this particular type of weighbridge was the comparative ease with which it could be moved from one site to another.

Toledo Scale is at Fir Tree Lane, Groby, Leicester (0533 69842).

Tape drives and controllers, and the Tesdata equipment is largely based on Baltimore. The Administration has 921 tape drives and controllers, and six 370/188s among them.

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Delivery end and control console of a Roland four-colour offset litho press which has been installed in Morrison and Gibb's Edinburgh book printing works. The machine handles sheets 1,000 mm. by 1,400 mm. at up to 10,000 an hour and was

## ● COMPUTING

### Speeds the goods

AS PART OF a programme of expansion, Argos Distributors, Europe's biggest catalogue showroom chain, has placed an order worth more than £200,000 for in-store computer systems to be installed in 20 new showrooms and the existing ones.

The machines, which will be installed in 20 new showrooms and the existing ones, will speed services to customers.

Argos helps keep costs—and thus prices—down by storing merchandise in a mini-warehouse behind each showroom, with storemen picking goods as they receive orders from sales assistants.

With the new system, assistants, using a small calculator-like keyboard, will be able to query a central memory bank that holds details of all merchandise in the store.

The stock level of any item will be flashed to a small display in front of the assistant, together with the correct price. The quantity the customer wants is then keyed in and a ticket will be printed in the stockroom, telling the storeman to pick the item and load it on a conveyor belt.

The company is planning to make the equipment play a large part in the routine re-ordering of stock from the main warehouse to the stores. This is an inevitable development, bearing in mind the power of each store's computer to hold all the necessary up-to-the-minute information to carry out the necessary calculations, and to print re-order lists.

Comet Computing Systems, 14 Ronald Close, Kempston, Beds.

## ● PROCESSING

### Coats and checks pipes

INTENDED MAINLY for fugate spray, with no-drip shut-off. The smallest machine is for pipes from 8 to 18 inches bore and 30 feet long; the general-purpose model for pipes of 12 to 30 inches bore and 50 feet long; and the heavy duty machine, with motorised hose reels, is for pipes 12 to 30 inches bore up to 75 feet long.

The company recommends another of its products, Shieldco, for spraying the internal wall of pipes carrying hot (up to 98 deg. C) abrasive and corrosive materials. The coating is formulated from vinyl ester, bisphenol and chlorinated polyester, and modified epoxy resins.

Instead of using glass strand or Kevlar, the resin is reinforced with interleaving flakes of glass or fibre. The coating thickness varies from 3 to 4 microns thick, and varying in diameter from about 0.4 to 4.5mm.

The coating cures by chemical reaction at ambient temperature, and can be applied to concrete or steel pipes.

Three basic machines are available, all with airless pumps supplying a 360-degree centrifugal spray, with no-drip shut-off.

The system comprises three separate units — a pipettor, analyser and computer. The first automatically measures and loads 30 microlitres of specimen; reagents and controls into a transfer disc in about four minutes. Sample range is from 3 to 50 microlitres in 1. µl. increments.

Measured volumes of samples and reagents are mixed and transferred by centrifugal force into a spinning rotor by the analyser, which contains its own data microprocessor, requires no service connections other than electricity, cleans itself after each run, and is self-contained.

The analyser can perform up to 39 pre-programmed tests, but if special tests are required the operator can be set manually. Depending on the method used, 120 to 300 tests can be carried out in an hour.

Integration of a computer into the system provides an automatic printed report delivery system. Seven different reporting functions can be processed, by the minicomputer, which will handle up to 115 patient report files.

It can be interfaced with one or two analysers to receive, store, process and retrieve data on command, with a minimum of operator intervention without programming and with no need to learn a computer language.

More details from the company's clinical diagnostics department at Metro House, White Lion Road, Amersham, Bucks., HP7 9LP (02944 4021).



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## ● PRINTING

### Giant reels on new machine

DELIVERED by Strachan and Henshaw to a U.K. transfer paper producer, a 3.2 metre wide inspection machine is the widest machine of this kind yet built by the company, and is believed to be the largest inspection re-winder so far installed in the country.

This machine will be used to inspect and rewind paper printed on a rotary screen press, although it can also handle paper printed by the flexographic and gravure processes.

It can produce finished reels of paper up to 1,300 metres in length. Most existing transfer calendar machines take a maximum reel of 500 metres but it is expected that run lengths will increase, particularly in the United States, as it is equipped to handle both standard and larger reels to cater for all existing and projected calendar requirements.

Further details from the company at Speedwell, Bristol BS3 7UZ. (0272 585282).

## ● ENERGY

### Hot water for nothing

AN INEXPENSIVE central air-conditioning unit to provide hot water for hotels or apartment houses has been developed by Electra (Israel), Beit Hadar, 19 Peta (Navy) Road, Tel Aviv.

It has already been installed in a 100-room hotel at Nathanya, 20 miles north of Tel Aviv. During the first five months of operation, the hotel saved the equivalent of \$2,000 in electricity charges, with the system supplying the hotel's entire hot-water requirements.

Since the whole installation of the air conditioning system for heating water (to a temperature of up to 46 degrees Centigrade) cost only \$4,000, it will pay for itself in two summer seasons.

The same company has developed a new, low-temperature solar collector, a non-corrosive heater for swimming pools. The "solaris" collector is made of plastic and, in contrast to other types of solar swimming pool heaters, consists of a one-piece collector, complete with the piping for water supply and return. There is thus no array of multiple solar collectors with complex piping.

## ● COMPONENTS

### Delivery is a clincher

KOPPERS of Canada, a billion-dollar company which is one of the largest power transmission manufacturing and exporting groups in the world, has selected a relatively small U.K. company as its preferred supplier of gearmotors: equipment which goes between motor and load.

Against competition from four other companies, two each in the U.S. and West Germany, the U.K. company, Koppers Gear Motors (EPG), of Aylesbury, has succeeded in obtaining a five-year contract covering assembly, distribution and servicing of the EPG gearmotor and speed reducer range.

This is to complement the Koppers offerings of products in power transmission couplings, and other auxiliary equipment. EPG is believed to be the first delivery of its kind. EPG is a member of the latter many times over. (0296) 4711.

## ● COMMUNICATIONS

### Laser sends the message

ORIGINALLY designed for military uses but likely to find application where both line and radio communication are either not convenient or are ruled out, a laser communicator from SAS has been developed by the company's clinical diagnostics department at Metro House, White Lion Road, Amersham, Bucks., HP7 9LP (02944 4021).

Each of the units consist of a pair of optical tubes about 3 inches in diameter mounted one above the other on a pivot. A telescope is incorporated for sighting. Speech or digital data can be transmitted and received in either simplex or duplex mode and the speech bandwidth is 300 to 3400 Hz.


Range depends on the mounting method and extends from 18 miles for a semi-permanent installation down to 2km. when the instrument is hand-held. Units can of course be re-peppered to extend the range.

The unit, designated SA-14, can be powered from rechargeable nickel-cadmium batteries or from an external source. Weight is 4 kg. More details from the company at Metro House, White Lion Road, Amersham, Bucks., HP7 9LP (02944 4021).

## Replenishes processor

SEMI-AUTOMATIC replenishing of the chemicals in the tanks of film processing plant can be carried out with a unit developed by Photomec (London), Valley Road, Industrial Estate, St. Albans, Herts. (St. Albans 50711).

The unit can supply from two to twelve tanks, covering any specific process used in the motion picture, TV or photo-finish laboratories. Feed is by pump or gravity, and flow meters and indicator lights give visual confirmation of correct operation. The unit can be controlled remotely from a detector system fitted to the processing machine.



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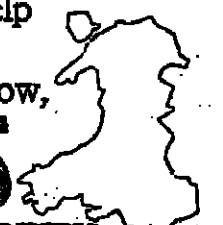
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# FINANCIAL TIMES SURVEY

Wednesday October 12 1977

# Romania

Despite the serious earthquake in March, Romania is hoping to achieve its ambitious Five Year Plan targets and sustain a high rate of industrial growth. Interest in trade with the West is strong, particularly in economic co-operation and joint ventures.

ON MARCH 4 this year an earthquake of rare severity struck Romania. Its epicentre was close to the capital, Bucharest, and the important industrial regions of the south-east.

It caused millions of pounds worth of damage, left tens of thousands homeless and claimed the lives of 1,500 people. In the days that followed, the world Press and television carried stark pictures of the devastation which wiped out one town entirely and, ironically, wreaked its greatest havoc in Bucharest's two main streets, Magheru Boulevard and Calea Victoriei.

President Ceausescu, who was abroad at the time, hurried home for what must have been his most exhausting days in office, touring the affected areas, visiting hospitals and holding Press conferences. As one as ten days later, survivors were still being dragged out from under the rubble.

Then came the long task of clearing up. Because of the fragility of many buildings, the order went out banning the use of explosives for demolition. Instead, wrecked buildings were taken apart brick by brick. In factories machinery had to be repaired. In Ploiesti, centre of the oil industry, walls had to be inspected for underground damage.

Many government offices were moved, lock, stock and barrel to new quarters, often some distance away. There can

not have been a single household in Bucharest which did not have cracks down the wall, broken windows and some relative or friend killed or injured.

But gradually life got back to normal. Within a month Bucharest was tidied up, weak raw pine logs and Government departments were operating from their new quarters. To-day a visitor strolling down the streets would find it hard to believe that there had been scenes of devastation six months ago.

Romania's recovery from the earthquake has been remarkable. According to official statistics, the disaster caused only a hiccup in industrial production, and the flow of exports was slowed for less than a month. What is more, the Five-Year Plan will not only be fulfilled, but exceeded.

## Bravado

All this is typical of the bravado that has marked official announcements in the past six months. Even so, it is obvious that an enormous effort has been made to keep the streets of the earthquake to a minimum.

In fact, the earthquake is now officially a closed subject. There are no more pictures of damage and human suffering on the billboards. Instead, the country is being told to rebuild, look ahead and forget the past. Even the word "earthquake" appears to have been banned.

The air of normality, of course, is deceptive. Just as the greatest material damage was caused to the interior of buildings, it is clear that the disaster took a heavy human toll in terms of morale and frayed nerves. The hot summer brought violence and labour unrest, in one case necessitating the personal intervention of the President, according to reliable reports.

But the leadership is clearly

At the same time the Government clamped down tightly on the emigration of the Hungarian and German minorities, which it had earlier permitted, presumably as part of its duties under the Helsinki Final Act.

In a surprisingly tough speech, Mr. Ceausescu described emigration as "unnatural" and said that people who were born in Romania of families who had lived in the country for a long time were Romanians, not

Mr. Ceausescu was also successful in quelling the tiny but vocal dissident movement that had gathered round the writer Paul Goma. Without resorting to the crude measures used elsewhere in East Europe, the leadership persuaded the dissidents to keep silent. Mr. Goma is not in jail, but he is no longer receiving foreign journalists.

The earthquake reinforced the western view of Romania as an exceptional country in East

part of the country is still agricultural. Relations with the Warsaw Pact, however, are on the up and up. Having secured Russian recognition of the right of every communist party to determine its own policies, Romania played host to the latest Warsaw Pact summit, and has had three meetings with President Brezhnev in the last year or so.

There is also more official talk than usual of the friendship that

the Russians. The change of features of the State like those heart is due to the depletion of used by Stalin.

Other changes were also promised in education and the decline, oil is only rising marginally. In the longer term, these unfavourable trends are bound to have profound implications for Romania's foreign relations, and not just with the Russians. Oil will have to be imported in growing quantities, and a greater proportion of the domestic product will have to be exported to pay for it.

This means that living standards may not rise as fast as hoped. On the other hand, these are not as bad as Romania's status as Comecon's least developed country would suggest. Compared to Moscow, Bucharest is rich in the amount and variety of merchandise in the shops, much of it Chinese.

Possibly as a result of its links with China, Romania is also attempting some internal reforms which are highly unusual for an East European country and smack of the Chinese popular style. Most notable was the recent announcement by Mr. Ceausescu of measures aimed at speeding up the withering away of the State.

The judicial system of trial and punishment, he said, would be radically reformed so that only those guilty of very serious offences would go to jail. Other offenders would be sent for re-education by work under the supervision of work collectives. It was necessary, he added, to get rid of "the repressive image as a developing country."

## Big effort to catch up

By David Lascelles, East Europe Correspondent

determined to keep morale as high as it can while at the same time extracting the utmost from the labour force and the economy to catch up.

Only a few weeks after the earthquake, Mr. Ceausescu announced that the wage targets would be raised by two-thirds and that the supply of consumer goods would be increased to match. Although the official line was that this had been planned before the earthquake, it looked like a sweener for the bad news that the planned shortening of the working week to five days had been postponed for a year.

matter what their ethnic origin. The reason for this hard line, it is believed, is that Romania cannot afford just now to lose thousands of well qualified and hard working Hungarians and Germans.

This must have been a carefully judged move, since the ethnic minorities have long been a highly sensitive issue, particularly with Hungary. It was significant that when the Hungarian leader Mr. Janos Kadar met Mr. Ceausescu in June, the final communique spoke of each country's responsibility for ethnic minorities.

Europe—which is the case to-day as much as it ever was.

The very fact that President Ceausescu was in Africa when the tremors struck is significant. He continues to pursue an active and individual foreign policy, whose aims are as much to establish Romania as a member of the developing world as to put a certain distance between himself and the Warsaw Pact—to which it nevertheless still belongs.

Though rebuffed for this very reason by the non-aligned movement, Romania managed to secure entry into the Group of 77 on the grounds that a large

## Clear

But the main outlines are clear. Romania will pursue its policy of rapid economic development, including the expansion of its foreign trade, particularly with the West, where the best sources of technology and equipment lie.

Politically, Mr. Ceausescu ridden the disaster and its unsettled aftermath well, and there seems no reason to believe that major leadership changes are on the way, and that the internal line will be modified. In terms of foreign policy only those guilty of very serious offences would go to jail. Other offenders would be sent for re-education by work under the supervision of work collectives. It was necessary, he added, to get rid of "the repressive image as a developing country."



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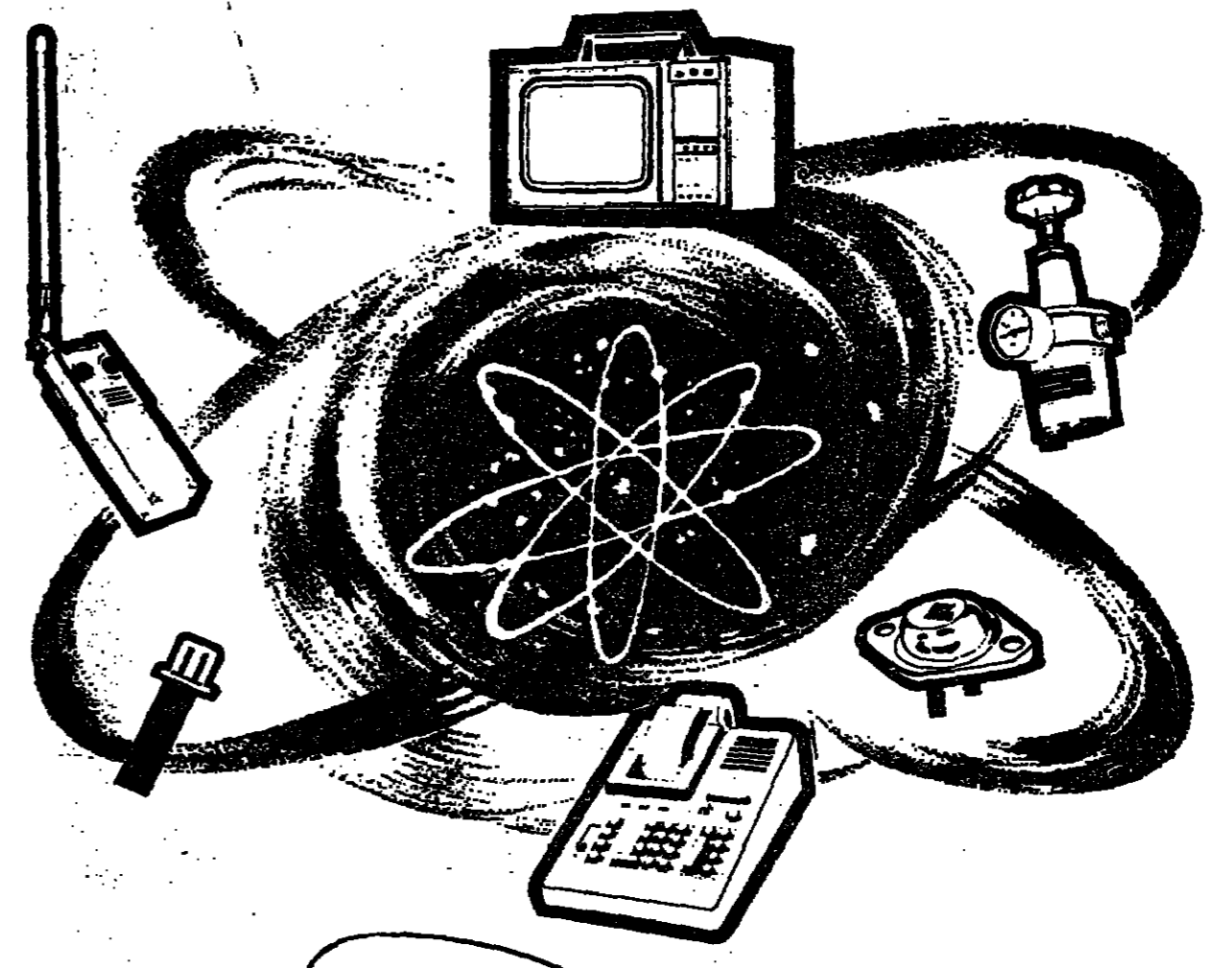
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**ROMANIA II**

**Economy shows resilience**

FOR SEVERAL reasons, Romania's economy is one of the most remarkable in Comecon. It has extremely high growth rates: the national income, industrial production and foreign trade are all expanding by over 10 per cent annually. Its rate of accumulation is also high: a third of the national income is ploughed back into investments every year. And though disaster prone, it has proved highly resilient.

For the newcomer to Romania, the figures make dizzy reading. Yet even if they do at times seem too good to be true, it would be hard to miss the dynamism behind Romania's economic development, or indeed, the fact that the earthquake has scarcely checked it at all.

Economic policy is enshrined in the current Five-Year Plan (1976-80) which talks about the need to ensure an "impetuous" rate of development to enable Romania to catch up with the more advanced industrial nations, to consolidate industry's leading position in the economy and improve living standards.

The main impetus behind Romania's exceptionally high growth targets is the nation's acute sense of its economic backwardness and a determination to overcome it rapidly. Allied to this is a strong desire to make Romania as self-sufficient as possible in order to reinforce the independence it so earnestly craves.

In fact the country is less backward than it would have us believe. Although it insists on the status of "developing country" to justify its political alliance with the Third World and qualify for special commercial treatment from the West, Romania has a large and well diversified industrial sector. Output of basic products like oil and steel is proportionately greater than that of many Western nations, and in some goods, such as drilling equipment, it ranks among the world's leading exporters.

Even so, there is still a large and backward agricultural sector, which, seen alongside the country's generally low living standards, clearly places it among the poorer countries of Europe. According to official statistics, the per

**BASIC STATISTICS**

Area	91,699 sq. miles
Population (1977)	21.6m.
GNP (1977)	\$23.76bn.
Per capita	\$1,100
Trade (1975)	
Imports	\$5.34bn.
Exports	\$5.34bn.
Imports from U.K.	\$38.5m.
Exports to U.K.	\$38.1m.
Trade (1976)	
Imports from U.K.	\$49.2m.
Exports to U.K.	\$49.5m.
Trade (1977)	
Imports from U.K.	\$57.1m.
Exports to U.K.	\$57.7m.
Currency: Leu	£1=8.49 lei (commercial)

capita GNP only surpassed \$1,000 last year.

Furthermore, Romania would not be able to achieve such high rates of growth if it was not starting from a low base.

The key to Romania's economic policy is the accumulation rate which, as mentioned above, is 34 per cent. Only one other country in East Europe has a comparable level—Poland—a country whose massive industrialisation drive is well known. The comparable figure for the Soviet Union is 26 per cent, and for the GDR 23 per cent. This means that Romania is reinvesting one leu for every three it earns.

**Transformation**

Over the past two decades, the face of Romania has undergone a radical transformation, from an agrarian to an industrial state. Exactly ten years ago, industry for the first time accounted for more than half of the national income, and by 1980 this figure should have reached two-thirds. Agriculture, over the same period, will have dropped from a third to one-eighth.

Although Romania benefited from some traditional expertise in the energy, chemical and aeronautical fields, most of its new departures.

Large new industrial centres have sprung up at towns like Brasov, Galati, Craiova and Turnu Magurele while traditional towns like Ploiesti (centre of the oil industry) and Bucharest (which is the largest industrial centre in the country as well as the capital) have expanded fast.

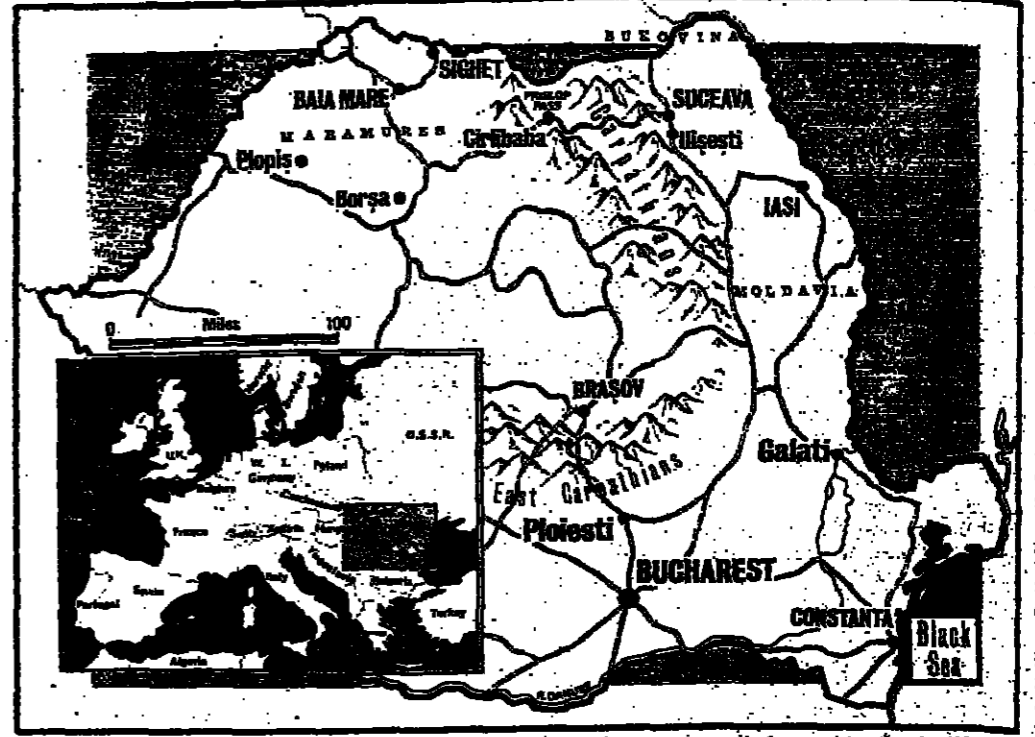
Hectic growth, however, has led to severe regional distortions. Most of industry is now located in the south, leading to overcrowding there and depletion of the north. It is one aim of the current Plan to create a better distribution of industry.

Growth rates are beginning to abate somewhat now, which is quite natural for a maturing economy. Industry, for instance, is planned to expand by 11 per cent a year, compared to the 18 per cent achieved during the last Plan. Even so, Romania stands out in Comecon for the amount of new plant and equipment it is installing at a time when other socialist countries are more concerned with reconstructing and modernising existing plant.

The volume of investments in the Plan is around 1,000bn. leu (about £10bn. a year at the tourist rate of exchange) of which well over half will be directed into industry, with agriculture, transport and housing getting about 10 per cent each.

This marks a sharp rise in the share allocated to industry, (it received just under half of all investments during the last Plan). Although industry is top priority, this policy could upset the economic equilibrium in the longer term. The failure to invest more in agriculture and transport has already produced serious problems in both these sectors: inefficiency, poor productivity, etc. The absence of a sizeable agricultural surplus for export, for example, is a striking — and remediable — weakness. There are signs of improvement here, however.

In line with the policy of accumulating rather than con-



**PRINCIPAL FIVE-YEAR-PLAN INDICATORS**  
(Annual growth-%)

	Planned 1976-80	Achieved 1971-75
National Income	11	11.3
Industry	11.2	13.1
Agriculture	5.3-7.6	4.6
Investment	12.2	10.5
Wages	5.4*	3.7

\* Revised from 3.4-3.7.

In the first half of the year, affect living standards. The wage targets have been raised from 3.5 to five per cent a year, and a big housing drive is promised. On the other hand, the cut in the working week planned for this year has been postponed and thousands are having to put up with inadequate or damaged living conditions while repairs are carried out.

If the earthquake did some good, it was to boost labour efficiency. Since reconstruction began, possibly as many as a million people have been taken off bureaucratic and other non-productive work (even guard duty in the capital) and put in to factories and building sites. It is still not clear to what extent the earthquake will

David Lascelles

**Foreign affairs**

NOTHING COULD be more typical of Romania's foreign policy than its behaviour at the height of this summer's Euro-communist furore between Moscow and the parties of West Europe. Less than a month after the Russians aimed their broadside at the Spanish Communist leader Santiago Carrillo, President Ceausescu invited Sr. Carrillo to his summer resort on the Black Sea coast.

According to the official Romanian news agency, Agereps, their meeting passed off in an atmosphere of "warm friendship," and Sr. Carrillo was asked to convey to his party Romania's wishes for "further successes in their activity."

A more blatant example of bear-baiting would be hard to find. Yet it was only the latest of a series of cases where Romania has taken a strongly independent line in foreign affairs.

The list is impressive for a country which shares a long border with the Soviet Union. Starting in 1968 with President Ceausescu's condemnation of the invasion of Czechoslovakia, Romania has cultivated China; it maintains relations with Israel and recently played host to the Prime Minister, Mr. Begin; it forbids the presence of Warsaw Pact troops on its territory; it has constantly fought Russian attempts to impinge upon Romania's sovereignty with supranational powers. And most recently it has championed the right of individual Communist parties to chart their own course forward — as the Carrillo episode showed.

At the same time, Romania has edged gradually away from the Soviet orbit towards the Third World, particularly the Group of 77 (to which it now belongs) and the non-aligned movement headed by its neighbour Yugoslavia. President Ceausescu starts around the world in his Boeing 707 and has visited more countries than the rest of East Europe's heads of state put together.

It would be wrong to assert, as many people do, that Romania's foreign policy is a lot of baffle signifying nothing. On the contrary, it serves two perfectly good and complementary purposes. The more positive purpose —

and the one usually stressed by Romanian officials — is to establish Romania as a developing country whose natural interests lie more with the Third World than with its advanced neighbours.

Romania does proportionately more trade with the Third World than any other Comecon country, often exporting oil equipment to the Middle East in return for raw materials and fuels. Mr. Ceausescu has also made himself a champion of the new international economic order with the cry that North-South relations are more important than East-West. (Moscow, by contrast, has kept a stony silence on this topic.)

Although its membership of the Warsaw Pact prevents Romania becoming a full member of the non-aligned movement, it supports all the movement's principles, like respect for equality and non-interference in internal affairs, the right of smaller and weaker nations to be heard, condemnation of military blocs and so forth.

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ROMANIA III

# Growing trade with Britain

**BRITISH TRADE** with Romania, despite some problems created by anti-dumping measures, continues to improve and has been strengthened by the visit earlier this year by Mr. Constantin Stancu, the Deputy Foreign Trade Minister, for the meeting of the U.K.-Romanian Joint Commission.

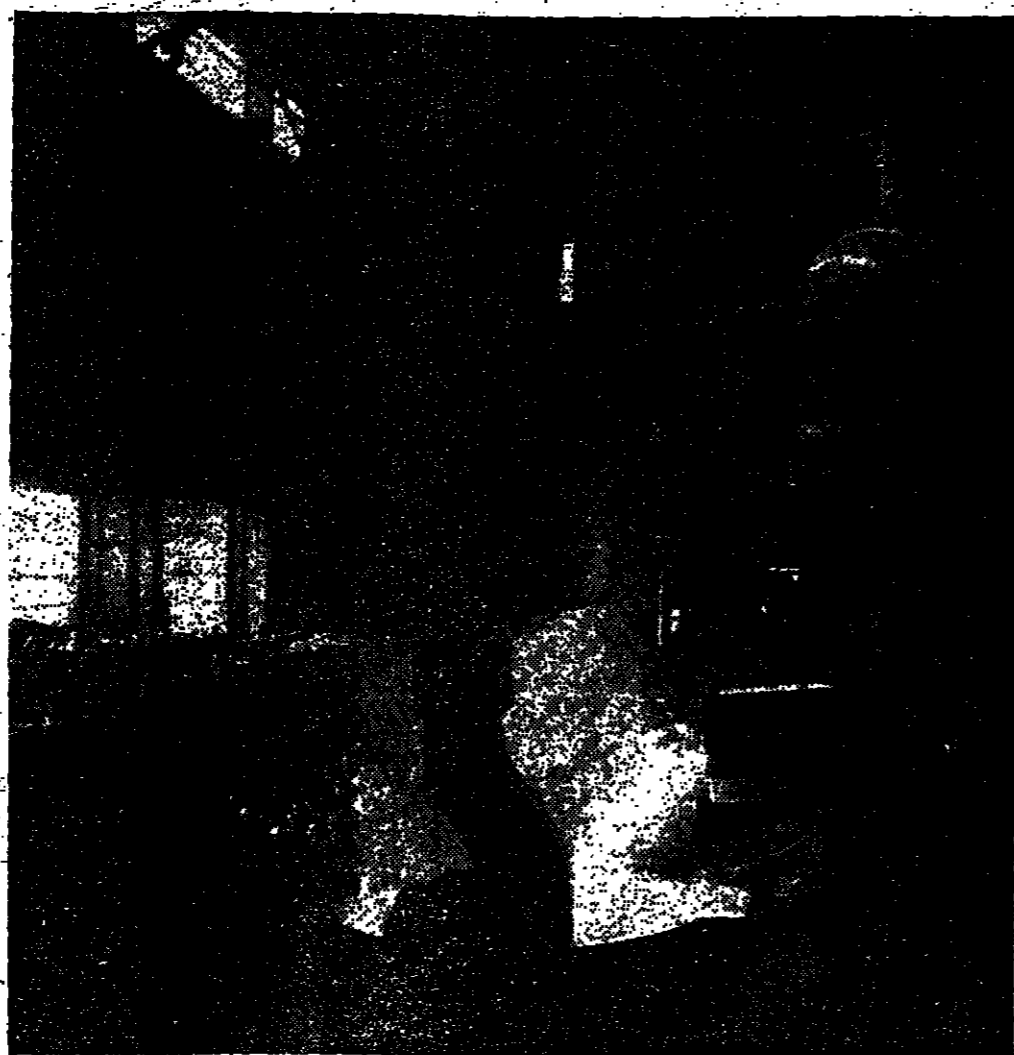
During these discussions the two sides identified the most promising fields for trade and co-operation, listing specific goods which could help to reach the goal of greatly increased trade volume set in 1975 during top level trade talks between the (then) Prime Minister, Mr. Harold Wilson, and President Nicolai Ceausescu.

Mr. Stancu this year confirmed the intention to increase trade exchanges by two and a half times during 1974 to 1980 period, although this was already behind schedule. Turnover last year was around £100m., slightly in Romania's favour.

However, the overall plan could be given new impetus if the proposed deal is concluded for Romania to manufacture BAC One-Eleven aircraft under licence from the British Aircraft Corporation, now part of British Aerospace.

At the joint commission talks in January Romania's ambitious economic plans, disastrously set back by the recent earthquake, were illustrated by the most promising sectors identified for trade. These included machine tools, nuclear energy equipment, offshore oil exploration, civil aircraft, metallurgy and electronics.

Foreshadowing the BAC protocol on the One-Eleven, Mr. Stancu said Romania was interested in establishing joint companies with British concerns for both production and marketing, suggesting that apart from aviation, petroleum products and nuclear equipment were promising for this kind of activity.



Steelmaking at Tirgoviste.

## Steelmaking

Among priorities at that time as metallurgy because Romania wanted to create 7m tons worth of new steelmaking capacity by 1980, although it is possible that major programmes such as this could be affected by the need to rebuild industry damaged in the earthquake.

Another possible barrier to trade, the Romanians believe, is that they regard as discriminatory action against their exports to Britain, though the anti-dumping duty imposed on polyester fibres has been lifted and no other significant restraints exist. Romania has experienced difficulties with a number of other products such as glass, alarm clocks, suits and shoes.

The attitude of Romania to anti-dumping activity is one of concern, and there have been suggestions that other motives behind it, although trade officials have made it clear that they are eager to discuss problems before action is taken and raise prices if it is shown to be necessary.

Another cause for concern by Romania is the balance of trade between the two countries so far this year. Last year the two countries were roughly in balance, exporting goods worth nearly £50m. to each other, but the first eight months of this year British exports have reached £57m. while imports from Romania were worth \$7.7m.

It has been suggested unofficially that Britain is unwilling to import goods such as textiles in reasonable quantities from Romania, it is unlikely that orders of textile manufacturing equipment will continue to go to the U.K. Moreover, Romania has adopted a policy of directing equipment orders, where possible, to countries with which it has a favourable trade balance.

However, from the point of view of British companies Romania is a strong market for technology and equipment, with the added advantage of having its industrial development plans outlined in its current Five Year Plan which concludes in 1980.

New industrial projects include the building of a petrochemical complex on the Black Sea coast to process nearly 9m. tons of oil annually, the construction of a steel mill which will produce an estimated 10m. tons of steel a year and will double the country's present domestic output, and the development of nuclear power, employing locally produced uranium. A programme of oil exploration off the Black Sea coast has also been outlined.

A report on Romania by Midland Bank International said that foreign trade is expected to show a high growth rate during the current Five-Year Plan compared with the previous one, with a considerable increase in imports expected. However, it is pointed out that these expectations may have to be modified as a result of the earthquake.

One of the most promising sectors for co-operation is seen as machine tool manufacture in joint ventures with Romanian companies, which under legislation introduced in 1972 are allowed to participate in such

deals where they hold 51 per cent of the interest.

According to the Midland survey, joint ventures of this kind (both for manufacturing and marketing) are in prospect in a number of industries, including machine tools, castings and forgings, avionics and electric tools. Romania at present imports 30 per cent of its present requirement for machine tools, and it is hoped that domestic production will double during the current Five-Year Plan.

Although there are apparently few opportunities for exporters of consumer goods, better prospects exist for the kind (both for manufacturing and marketing) are in prospect in a number of industries, including machine tools, castings and forgings, avionics and electric tools. Romania at present imports 30 per cent of its present requirement for machine tools, and it is hoped that domestic production will double during the current Five-Year Plan.

## Prospects

The level of production is also expected to rise in the country's metals industries, which produce steel, aluminium and copper. Good prospects are considered to exist here for exporters of equipment, and British technology has already made a favourable impact. Sales of metallurgical equipment may, however, be subject to counter purchase arrangements.

The Romanian authorities have also shown interest in British equipment in the automotive sector, and approaches have been made with a view to co-operation in the production of trucks and bulk cement carriers. Romania already manufactures a large variety of vehicles, and there are plans to extend future production of articulated vehicles.

Further, from the point of view of other sorts of foodstuffs, for which new plants to process local raw materials will be required, some to be built on a joint venture basis. Great interest has been shown in spinning, weaving and knitting machinery and equipment for the manufacture of garments, footwear, glassware, leather goods and household articles.

Furthermore, with the growing reliance upon imported fuel supplies, there is to be special emphasis on the extraction of coal and the development of thermal power stations using domestic deposits of lignite.

In order to achieve growth targets set out in the plan, imports from the west are regarded as important, but the agricultural sector is expected to develop more slowly than industry and targets have not been specified as clearly.

Lorne Barling

## Foreign

CONTINUED FROM PREVIOUS PAGE

be less discriminatory in its foreign dealings than, say, the Soviet Union.

Apart from opening up new avenues abroad, Romania's interest in non-alignment and Third World economies enables it to emphasise the difference between itself and the rest of the Soviet bloc, even to the point of disagreeing openly with Moscow. There are obvious risks in this. But Romania's virtual self-sufficiency in food and fuel has made it less vulnerable to Russian pressure than its less well-endowed neighbours. Moscow could only command compliance from Bucharest by military means, and it is harder to send in the army than shut off the oil tap. Reliance on imported fuel is, however, growing.

Romania's greatest recent triumph was the Berlin Communist conference where President Ceausescu stood shoulder to shoulder with eminent non-Soviet bloc leaders like President Tito on the question of party rights.

The Russians' willingness to yield on this point gave Bucharest much satisfaction and opened the way to an improvement in Romanian-Soviet relations. In early 1976 they were at a periodic low, as witnessed by the fact that Romania revived the age-old territorial wrangle over Soviet Moldavia.

Since the summit, however, Mr. Ceausescu and Mr. Brezhnev have met several times, and the Warsaw Pact held a summit in Bucharest. Although the Romanians distrust pieces of paper as much as anybody, the Berlin Declaration clearly seems to have made them happier about Soviet intentions.

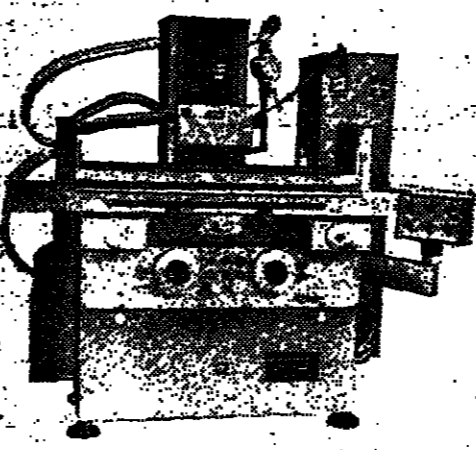
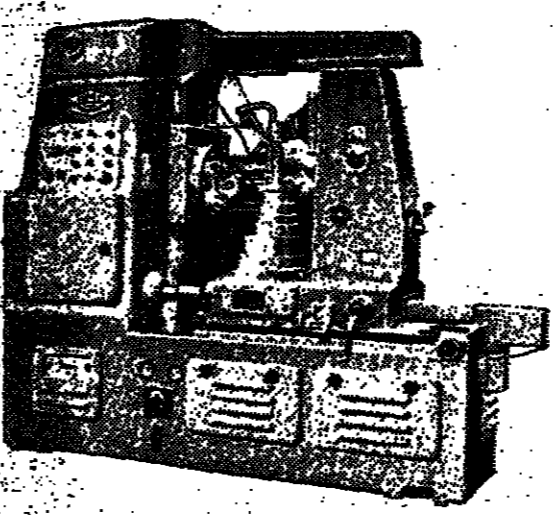
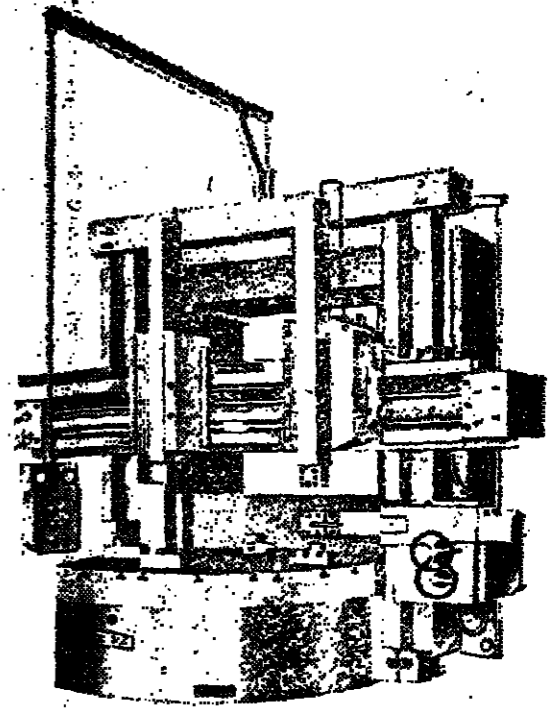
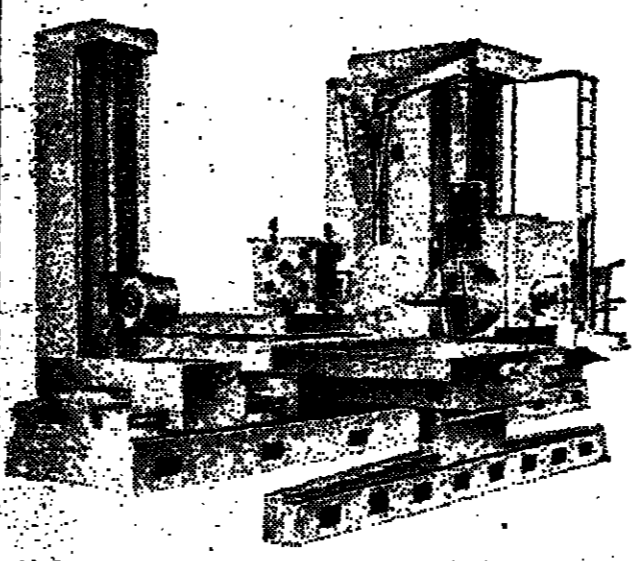
All this politicking contrasts sharply with the relative straightforwardness of Romania's relations with the West. For one thing, the ideological parameters are fixed; for another, Romania must feel distinctly less threatened by, say, West Germany, than its northern neighbour, or even Hungary which nurses a permanent grievance about the treatment of the Hungarian minority in Transylvania.

According to Romanian officials, relations with all Western countries are good, and likely to improve with the prospect of further top level visits. The only big blot is West Europe's import quotas, discussed more fully in the article on foreign trade.

This busy foreign policy has yet to justify itself in the sense of involving Romania more closely in the great issues of the day. Despite its closeness to both parties in the Sino-Soviet dispute and the Middle East war, for instance, Bucharest has not become a sought-after mediator. And Romania's view of world affairs is still more interesting for the way it compares with the Soviet line than for any intrinsic reason.

But this may not be what lies behind it all. Thanks to its efforts, Romania has earned a place for itself on the world stage which is out of all proportion to its size, wealth and strategic importance. This fact alone must bring it an enhanced feeling of satisfaction and security.

D.L.



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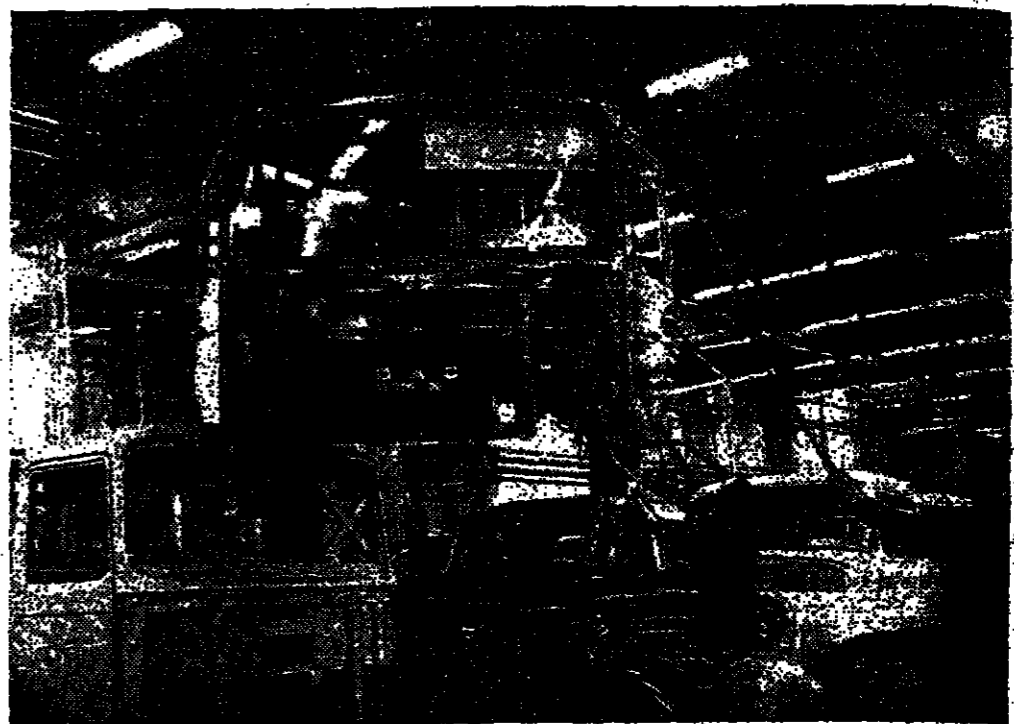
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# ROMANIA IV

## Ambitions in industry



Truck assembly at the Brasov plant.

RAPID GROWTH of industry along a broad front is the key feature of Romania's economic strategy with the aim of securing both a high degree of self-sufficiency in manufactured products and a strong export sector. Reported growth rates are over 10 per cent a year, with considerably higher rates from the newer sectors like chemicals and electronics.

The most vivid example of Romania's ambitions is the steel industry. In the five years from 1976 to 1980, output will rise by nearly double to around 17m. tons. In per capita terms, this will be nearly twice the level of steel production in the U.K. to-day.

The largest efforts are going into the metal and metal-working industries which are well developed for a country at Romania's stage of advancement. In the transport field, for instance, there is a budding car and lorry industry, an exceptionally big locomotive and rolling stock industry, a

shipyard capable of building 150,000 tonners, and even an aircraft industry.

The main aims for this sector are to bring on those areas with a high technology content. This concerns particularly machine tools where Romania is concentrating on numerically controlled types, oil equipment (a traditional field) and equipment for the energy industry.

The vehicle industry will take a big step forward with the establishment of a joint Romanian-French company to produce a car based on Citroen technology. Romania also has ambitious plans for the aircraft industry. In co-operation with British and West German firms it wants to start producing passenger jets.

If anything sets Romanian industry apart from the rest of Comecon, it is the aircraft industry. No other member of the grouping except the Soviet Union produces aircraft larger than small trainers.

The rapid development of the shipbuilding industry at the shipyards along the Danube and on the Black Sea is connected with Romania's determination to carry as much of its overseas cargo as possible in its own bottoms. By 1990, in fact, the plan is to be totally self-reliant for maritime transport.

Another priority field is electronics, an area in which Romania has looked to the West for technology rather than relying over-heavily on the less advanced systems being developed in Comecon. Computers, lesser equipment and a wide range of delicate equipment are now being put into production. Since its computer equipment is compatible with some U.S. systems, Romania hopes to develop its exports to the West.

Fastest growth rates are reserved for the chemical industry for which Romania not

only has considerable raw materials, but also a useful level of local expertise, thanks to the traditional oil and gas industries. The volume of output is expected to double during the current Five Year Plan.

### Growth

Much of this growth will come from the petrochemical sector where new installations are being added as fast as the builders can put them up. Output of all major types of chemicals should expand extremely fast during the Five Year Plan, starting from a low base. The growth in synthetic rubber output, for instance, will grow threefold, for fertilisers more than twofold, yarns and fibres twofold, plastics and resins threefold.

In fact, local raw materials will be unable to meet these targets, and imports of crude oil for processing and re-export are likely to grow sharply.

Because of the constraints imposed by reserve depletion, the domestic fuel production industry is likely to remain static. Output of oil, for instance, will increase by only 100,000 tons a year, while gas production will drop slightly. There will, however, be a big effort to improve efficiency, raise recovery levels, and make fuller use of oil and gas for processing into plastics, fertilisers and so forth.

By contrast, production of coal is to rise by two-thirds by 1980 to make up for the difficulties with fossil fuels. A big effort is also going into development of hydro and nuclear power.

All in all, the effort going into the heavy industrial sector is impressive by any standard, and it suggests that within a decade or so, when the population

will be nearly 50m, Romania will be an industrial nation of some stature.

There are political reasons for this, of course. Romania wants to produce as much as it can itself; it is also motivated by a powerful sense of national pride. But it is being achieved by sacrifices, notably in the consumer goods sector.

Growth rates in light industry are, on average, well below the national average, except in one or two sectors with good export prospects, like textiles and food. This sector may also suffer somewhat from the redirection of resources after the earthquake.

The two biggest constraints on industrial development over the coming years are inadequate

building capacity and a shortage of suitable labour.

Reconstruction after the March tremors will place heavy demands on the building industry for some time to come, as well as on the already tightly stretched building materials industry. Perhaps Romania may follow the example of other Comecon countries and invite Western equipment suppliers to bring their own labour forces with them.

The problem of manpower is, however, more acute and deep-rooted. The urbanisation of the country's labour force is still far from complete, meaning that agriculture is hogging manpower which is badly needed in industry. On the other hand, the movement of labour up until now has been so rapid that much of the industrial labour force is still green. Skilled workers are in short supply, particularly for the high technology industries Romania is keenest to develop.

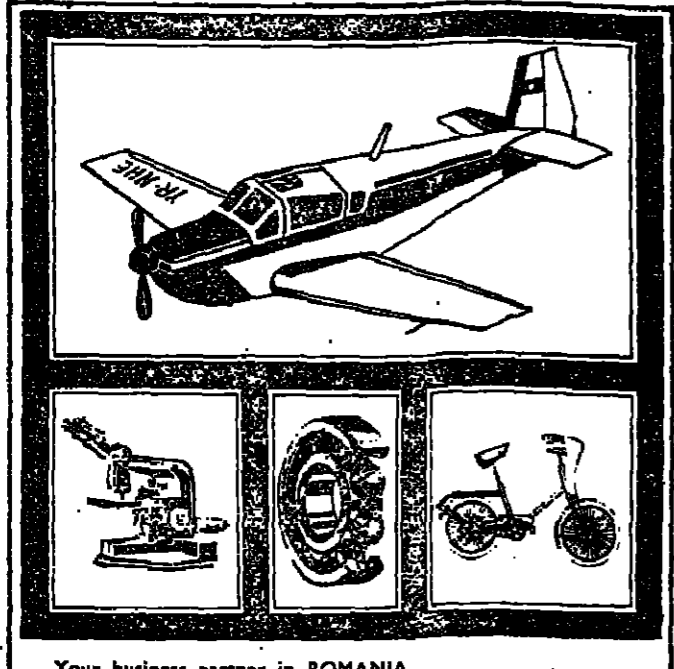
This problem is unlikely to be fully solved until 1990 at the earliest when agriculture will account for less than 15 per cent of the labour force.

Another major preoccupation is improved productivity. Partly because of the labour problems just mentioned, partly because of the cumbersome bureaucratic system, output per worker is still far below western levels, and even in many cases, East European levels.

Industrial training will obviously help. But a large part of industrial investment is also being channelled into new, more productive processes. The fast-rising cost of raw materials and energy has also prompted a stringent anti-waste campaign. Some of this waste, however, is also due to obsolete designing which cannot be cured simply by telling a worker to be more careful.

From the Western point of view, the most interesting aspect to Romania's industrial plan is that much of it is geared to imports from the highly industrialised world. New processes and technology are being sought, capital spending is high, and the fastest rates of growth are planned for the very sectors where Western know-how is strong.

D.L.



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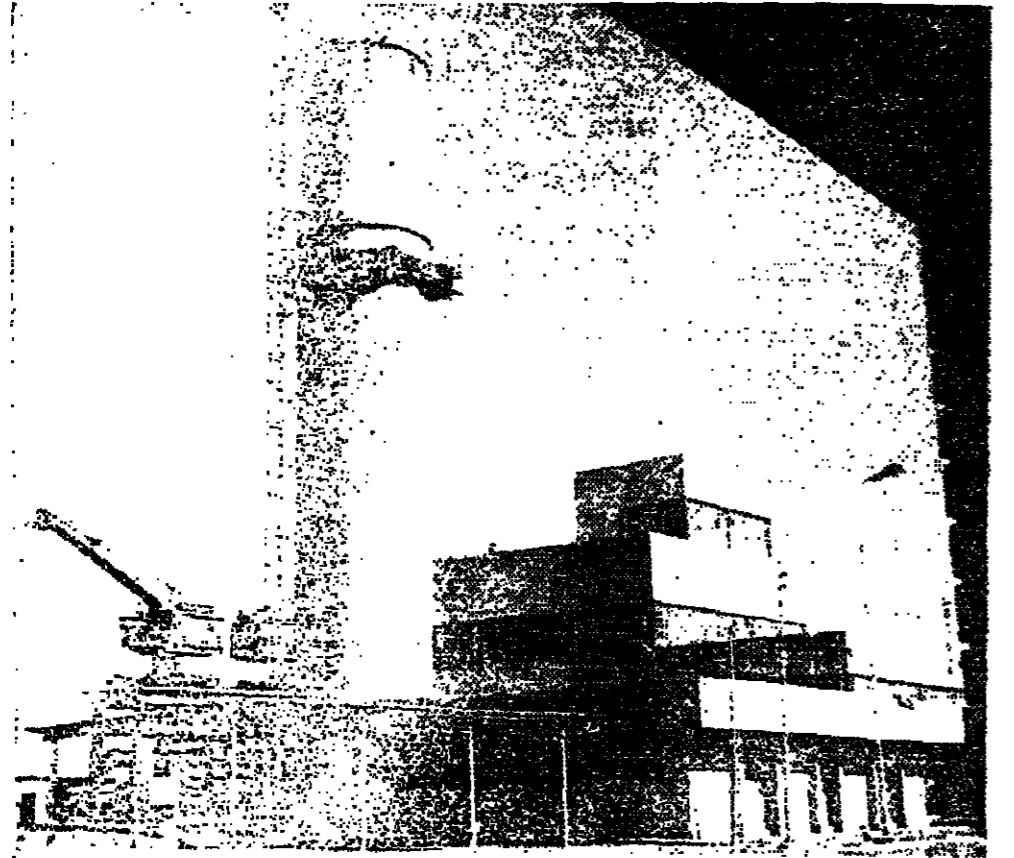
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## Aircraft links with U.K.

ROMANIA'S TRADITIONAL skills in the field of aircraft engineering, which go back to the earliest days of the industry, have provided an important link with Britain and led to one of the most successful areas of co-operation between the two countries.

Many years of progressive development in aircraft collaboration culminated this year in the most ambitious joint project of all, the possible manufacture by Romania of up to 50 BAC One-Eleven short-haul airliners under licence from the British Aircraft Corporation, now part of the nationalised British Aerospace Corporation.

Although the project is at an early stage, following the signing of an agreement in Bucharest in May, the success of earlier deals concluded by BAC has given rise to considerable optimism, and it is possible that a firm contract could be completed by the end of the year. The Bucharest signing by Mr. Allen Greenwood, deputy chairman of British Aerospace, and the Romanian Foreign Trade Ministry, was in effect a pact to proceed to a discussion of detailed contracts.

Perhaps this project should be seen in the light of earlier BAC involvement, which started in the mid-1960s with talks on possible sale to Romania of the BAC One-Eleven and a demonstration of the aircraft in Bucharest in 1967. A framework agreement to buy six aircraft was signed earlier the following year.

### Emphasis

As with the present deal, much emphasis was placed by the Romanian buying agency on the reciprocal trade needed to generate foreign currency, and an agreement was reached for the assembly of Britten Norman Islanders, making use of existing manufacturing expertise. Other offset arrangements were also made involving the sales through a third party of goods such as machine tools and ball bearings.

These aircraft were delivered between June 1968 and the end of 1969, and since then Romania has acquired more One-Elevens through the second-hand market.

Despite the complexities of this first agreement, BAC then went on to offer the longer range version of the aircraft, and a framework agreement for five was concluded at the end of 1974 and confirmed in April, 1975. This deal also included an arrangement to extend technical co-operation, providing work packages from both BAC and the engine manufacturers, Rolls-Royce.

ment of Romania in the manufacture of the aircraft, and including more work on Islanders (by then Britten Norman had been taken over by the Fairey Group), the package took technical expertise a step further and closer to licence manufacture. Work on the Islander in Romania had then developed to the point where fully assembled aircraft were returned to Britain for finishing and painting. In essence, the deal had created basic manufacturing capability, which it is hoped can now be raised to a new level.

The current deal, between BAC and Grupul Aeronautic Bucuresti, the Romanian aircraft collective, is aimed at allowing eventual full production of the aircraft. Initially, it is expected that there will be joint manufacture of parts in both countries, progressively extending so that by 1985 Romania would be building complete aircraft. Rolls Royce is also a party to the agreement.

The precise number of aircraft involved has not yet been specified, but British Aerospace believes that it could rise to as many as 50, worth several hundred millions of pounds. So far the British Aircraft Corporation has built more than 220 of the aircraft in different versions. The version now being sought by Romania is the 79 seat, short-haul 475 model, capable of taking off from rough grass and other unprepared fields.

It is anticipated that Romania, which operates its existing One-Elevens for the State airline Tarom and its partner airline LAR, may supply the domestically built aircraft to other Eastern European countries and perhaps other Western markets. The deal a big venture for BAC may also help considerably in the development of its proposed larger, short to medium range jet, the X-11, with upwards of 120 seats.

In marketing terms the deal would have the advantage of allowing potential customers from the One-Eleven 475, perhaps depending on the sphere of influence in which they exist, to buy identical aircraft from either British or Romanian production lines.

In all, the proposed deal has to go through three stages, the first protocol which has been signed, a more detailed framework agreement which is now being worked out in discussions, and a final contract or contracts. So far no date for possible commencement to manufacture has been mentioned.

In terms of aircraft design, although the One-Eleven is not new, it is a highly reliable aircraft with an enviable operating record, well suited to the needs

of Romanian airlines for internal and short haul work.

It is also significant and perhaps encouraging for BAC that a similar deal between Grupul Aeronautic Bucuresti and the Dutch-German group VFW-Fokker has been signed for the production in Romania of the VFW-Fokker 614. Signed in July, the deal is thought to be the biggest co-operation agreement ever reached between West Germany and Romania.

Agreement in principle to the deal was given by the Bonn Government in March this year. The new joint venture will start off by concentrating on production of the 614 short-haul airliner and its initial capital will be DM20m, of which 85 per cent will be in Romanian hands and the remainder with VFW-Fokker.

### Plans

First production plans foresee that construction of about 100 of the 614s, of which 47 are earmarked for the domestic Romanian market, and the rest going for export. Initially VFW-Fokker will deliver three 614s to Romania from its Lemwerder production line.

After that the Dutch-German partner will deliver components for assembly at an ever decreasing rate, while the Romanian plant gradually builds up its own production capability. By the time the thirty-first aircraft in the programme is in production, it is planned that all components will have been manufactured locally.

There is no doubt that the deals with BAC and VFW-Fokker have been dovetailed in order to make maximum use of production facilities and that to ensure success of such a venture detailed planning within the Romanian industry has been required, explaining the long periods over which negotiations have taken place.

From the point of view of both the aircraft companies, it is hoped that longer term sales will be substantially boosted, particularly important in the case of VFW-Fokker, which has been disappointed so far in the orders for 614s.

In the case of the latter deal, it is difficult to put a figure on total production as production will run up to 1987, but it could be worth between DM1bn. and DM2bn., although it is likely to be nearer the higher figure. However, it is clear that all three participants in the two deals stand to gain considerably from the expansion of production and technical expertise in Romania, which could in the longer term lead to even more ambitious aircraft programmes.

Lorne Barling



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# Banking activity likely to expand

**BUCHAREST'S FINANCIAL** quarter—if that's not too grand a word for it—lies in a maze of tiny streets just off Republic Boulevard. Here, within a stone's throw of each other, lie the Finance Ministry, the Foreign Trade Bank, the Foreign Trade Ministry and the Bucharest branch of Manufacturers Hanover Trust.

Of these, by far the most remarkable is the last, the only fully fledged branch—opposed to representative office—of a Western bank to be found anywhere in Comecon. As such, it attracts swarms of foreign visitors keen for first hand information about Romania, and not a little curious to know how such an obviously capitalist plant thrives in Communist soil.

To look at, at least, the bank is prospering with thick green carpets and dark veneers providing an unmistakable Western atmosphere in contrast to the more Spartan interiors found elsewhere in Bucharest. There is also a lot of bustle which is surprising if one considers that this is not a place ordinary Romanians frequent.

Branch manager Rainer Gebhard has been there since

the beginning, in 1974, when he came as deputy manager. He says that although there were initial difficulties, the branch is now running at a profit and generally proving to be worthwhile. Exact figures are not available because the branch's turnover is integrated into New York's.

The venture was first mooted in the early 1970s when the Romanians approached several U.S. banks about opening a branch in their capital. At the time, Romania had just joined the IMF and was keen to strengthen its banking ties with the West.

MHT accepted the invitation even though it was clear that there could be problems. Communist ideology demands State monopoly of foreign exchange and banking. Yet MHT were to conduct business from a street level branch which anyone could walk into.

It was clear though that MHT had the blessing of the very highest levels in the Romanian Government, and special arrangements were made to accommodate its operation. Though forbidden to deal in the

national currency, the leu (which is non-convertible anyway, and so of no use abroad) MHT were given the services of a teller from the Romanian Bank for Foreign Trade.

He handles all currency transactions involving the leu in a way which makes them an extension of the Romanian Bank's activities rather than MHT's. But though MHT change travellers' cheques and conduct other "at the counter" business, by far the largest part of their work involves trade finance and letters of credit.

to sources of finance which other Comecon countries do not enjoy.

In early September, Romania received a \$64m. SDR one-year standby credit as well as a \$47.5m. SDR financing facility to cover a shortfall in exports. According to the IMF, the earthquake was partly to blame, having caused Romania a loss of some \$500m. in its balance of payments.

What all this means is that if Romania wanted to borrow on the Euromarket, it would probably have little difficulty raising sizeable sums on competitive terms. With a hard currency debt estimated at around \$4bn., its servicing costs would appear to amount to some 18 per cent of hard currency earnings, which is acceptable by world standards, and one of the better levels within Comecon itself.

Bankers estimating Romania's creditworthiness also point to several positive aspects about its economic prospects. It has a high level of self-sufficiency in energy and agriculture backed by a fast-broadening industrial base and a stable political structure. The main weaknesses are a badly deployed and unskilled labour force, exposure to natural disasters and an extremely slow-moving bureaucracy.

The Romanians themselves foresee a growth in their banking activity. Their Foreign Trade Bank has a part or majority interest in four foreign banks, in Cairo, Frankfurt, Paris and London, the first two opening up earlier this year.

In the longer term Romania has pledged itself to make the leu convertible as part of the conditions of IMF membership. According to the Foreign Trade Bank, this will involve building up substantial foreign exchange reserves over the next ten to 15 years with a view to introducing convertibility around 1990.

Romania's membership of the IMF has also given it access

## Agreements

Much of this is connected with Romania's trade with the hard currency area. But according to Mr. Gebhard, new possibilities are on the way. MHT has already financed trade between Comecon and Yugoslavia, and he sees no reason why Western banks should not finance the fast-growing part of intra-Comecon trade that is conducted on a dollar basis. This is normally trade over and above what bilateral trade agreements provide for.

In fact it is thanks to MHT's ability to use the branch as a base for its Comecon-wide business that the branch is profitable at all. Apart from MHT, there is only one other Western bank in Bucharest, the representative office of Société Générale.

In fact Romania has so far generated considerably less banking business than most other Comecon countries. There have only been one or two Euroloans and a slow trickle of trade finance.

The main reason for this is that Romania has managed to keep its hard currency trade in much better balance than its neighbours. In fact the deficit last year was barely \$100m., compared with, say, Bulgaria's more than half a billion. Romania's membership of the IMF has also given it access

# Foreign trade

**FOREIGN TRADE** will play an important part in enabling Romania to achieve its economic goals. The target for the growth in turnover is some 12 per cent a year, which is higher than as officials point out, this the target for national income, policy is not always economic, implying a growing dependence on trade with the outside world.

The quest for technology is an important consideration. Much of the current industrialisation programme is based on collaboration with foreign enterprises, particularly in the West. And since Romania is now preoccupied with developing high technology industries and raising productivity, the role of western suppliers is likely to become greater still.

But Romania also sees itself as an exporting nation. That is to say, there is more to its sales drive than the desire simply to earn cash to pay for imports. Romania is keen to be involved in foreign markets. It has built up export industries like engineering, textiles and food processing, and it does a lively business importing crude oil for processing and re-export.

The emphasis it puts on co-operation in its foreign trade is also a sign of its desire for durable relationships with foreign partners in such things as joint ventures, joint marketing and mutual deliveries.

The bulk of Romania's foreign trade is with other socialist countries, but in line with its broad foreign policy it does proportionately more business with the West and the Third World than in the rest of Comecon.

Romania's fortunes on western markets have not been wholly satisfactory in the past two or three years. Although it benefits from preferential EEC measures, it has encountered serious obstacles to certain types of exports. Food and other agricultural produce must run the gauntlet of the CAP, and deliveries are therefore much lower than Romania believes they could be if trade were freed.

**Exports**

Textile exports have also run into dumping charges, notably in Britain, where Romania had to agree to self-restraint. There is much bitterness in Bucharest about these obstacles. Officials point out that Romania has fulfilled its duties but is not enjoying its rights as a member of the GATT.

The failure to increase exports in line with imports forced Romania to adopt a more severe import policy two years ago. This had paid off in the sense that trade with the hard currency area is now in better balance. But Romanians feel that it led to an unnecessary slowdown.

The imbalance is particularly acute with West Germany, Romania's largest western trading partner, and efforts are now being made to correct this. Romanian importers have been instructed at least to investigate alternative suppliers if not

## Dumping

The Romanians claim that few if any charges of dumping against them have actually been proved, suggesting that the motives behind the accusations were political rather than economic. They also claim that under their economic system it is impossible for an exporter to produce goods for an un-economic price. Factories have to make a profit.

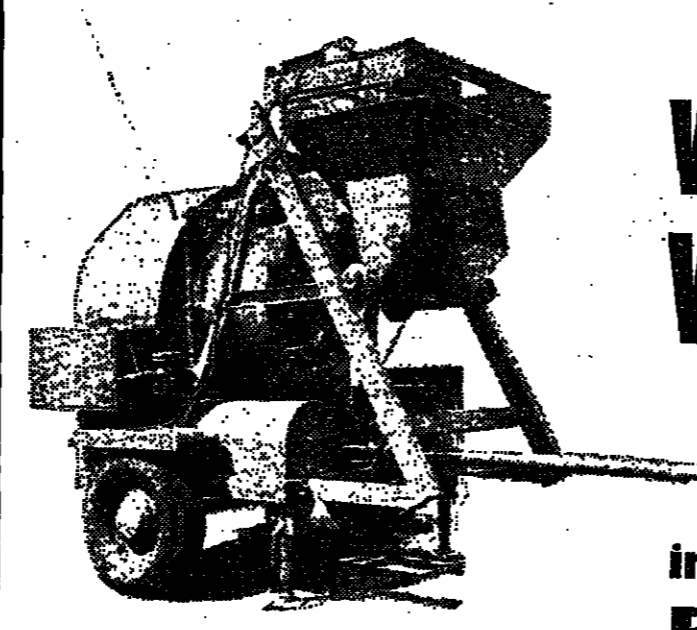
Such claims are virtually impossible to check out. However, one official did say to me with feeling: "Believe me, there'd be a scandal here if a factory was found to be exporting goods at below cost."

From the Western point of view Romania is an attractive market in so far as its growth rates are high, its hard currency indebtedness low, and its demands varied. Successful Western exporters have won large orders—and not on a one-off basis. The Romanians prefer to establish a continuing relationship which leads to further business each year.

The difficulties of dealing with Romania revolve round its State foreign trade system, which can be excruciatingly slow and—for long periods—completely incommunicado. The Romanian importer will also usually insist on some kind of buy-back arrangement, or at least in the maximum local participation in a plant or equipment deal. This makes speedy and tidy deals virtually impossible.

Another difficulty is obtaining information. Trade statistics are hard to come by, and usually published only in Romanian. There is also little indication as to which of the many projects in the Five Year Plan actually stand a chance of being brought to fruition. There have been cases of Western companies negotiating for years only to be told that their project had been abandoned.

The earthquake has inevitably disrupted Romania's foreign trade activities, as much by upsetting economic plans as reducing foreign trade agencies' offices to piles of rubble. But according to the Romanians, the hiatus was brief, and normal service was resumed within a few weeks.



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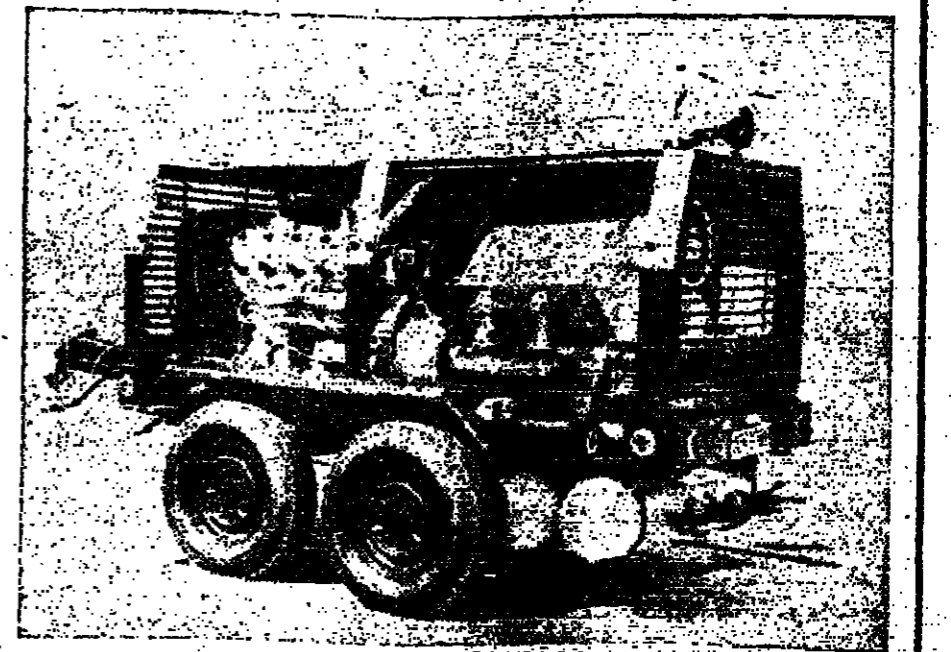
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ROMANIA VI

ICECOOP

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# Tourist achievements

THE 50-MILE stretch of coast-line upon which Romania's tourist achievements have been based is a somewhat daunting phenomenon. From just north of the Black Sea port of Constanta to near the frontier with Bulgaria is an almost unbroken chain of resorts, most of which did not exist ten years ago. The feeling you have, as you lie on your chosen stretch of beach with 20,000 other holiday-makers, that this is a highly synthetic environment, grows stronger as you walk back through the hotels to the main coastal road. The signposts say that it is five kilometres to Venus, but only three to Jupiter; Saturn is a little further.

The decision to give the biggest of the new resorts such names was all part of the central planning that has quickly made so much of a deserted coastline of sand-dunes and forests. Those crowded beaches

and the mass-tourist concept are not everyone's ideal, but the policy-makers in Bucharest have succeeded remarkably in grasping the chance they recognised back in the early 1960s. It was realised that the neighbouring countries of eastern Europe had a growing demand for summer holidays of the sea-and-sand variety—and that the possibilities were limited. There was also the prospect of attracting tourists from Western Europe, and thus earning some desirable kinds of currency. The figures show what has been achieved: in 1960, only 100,000 foreign tourists went to Romania, of whom just a handful were from non-Communist countries; by last year, the total was 3m, including 600,000 from the West; the forecast for 1980 is an overall 5m, with perhaps 1m. from outside the Communist Bloc.

There have been occasional upsets and failures in the development of the Black Sea littoral, but in the main there has been much to be proud of. The resorts are well laid out, with flowers everywhere. The hotels are attractive and efficiently run. Beaches are clean—and so is the sea.

The degree to which the resorts have been planned is often astounding. The Ministry of Tourism explains that each holidaymaker is assured of 12 square metres of beach, and at any one time there is room for 132,000 people to sit down to eat. The hit-or-miss, uncoordinated development to be found in such places as the Costa Brava is completely absent.

## Displays

Most of the foreign visitors, especially those from the West, come on package tours and fly directly to the new international airport at Constanta. Apart from looking at displays of folk dancing, few of them will experience anything specially Romanian; perhaps the nearest they will come to being how the ordinary people live will be on a day trip to Constanta.

That city, with its 250,000 inhabitants, is not without its tourist appeal. It was in classical times called Tomis: Greek and Roman statuary, which is still being unearthed, is magnificently displayed in the local museum. In a square near the harbour stands a memorial to the poet Ovid, who spent his last years here in exile.

At the moment, fewer of the Black Sea tourists are taking excursions to the capital itself; this is scarcely surprising, since work is still going on to repair the havoc caused by the last year's earthquake, and the city is not a particularly attractive sight. Indeed, news of the earthquake

caused a setback to bookings generally in the earlier months of 1977. This was noticeably the case with bookings from Britain — which had already begun a downturn last year. Ministry of Tourism officials blame this on British economic troubles and the erstwhile weakness of sterling. For next year, the Romanians are clearly expecting to drum up further business in the two Germanys, and already German is the lingua franca on the coast.

However, it is now apparent that the coast has effectively reached saturation point, so that expansion is being sought in other areas. Much publicity has been given to the delights of the Danube Delta, with its lonely beauty and abundant wildlife. At present, the bulk of the foreign tourists who go to the delta are on trips of a few days from Bucharest, the Carpathians or the Black Sea resorts. There is also a constant flow of Soviet cruise ships. The gateway to the Delta is the town of Tulcea, which has a domestic airport and a good hotel. From Tulcea a network of riverboat services have been built up to such places as Malina and Crisan, which also have new hotels.

The limitation of the Delta is that the Danube has long ceased to be blue and the water is not fit for swimming. For anglers it is a revelation and for bird-watchers a paradise, but in its own right the numbers of tourists it can expect to attract would seem fairly small.

So the bulk of investment in tourism under the new plan will take place in the Carpathians and Transylvania. A new all-weather road over the mountains, rising to a height of 2,300 metres, links Wallachia with the north, and three new zones for skiing are being opened up. These are at Sinaia, Predeal and Polana Brasov, where several big hotels are being completed. By 1980 there will be 10,000 beds for tourists visiting the country for winter sports. The Romanians clearly intend to follow the lead of the Poles, who have made a 'break-through' with ski resorts such as Zakopane.

Finally, the country also

## Effective

One very real asset which the Tourist Ministry is striving to attract more Western visitors—in particular from Germany—is Romania's wealth of health spas. The country claims to possess one-third of all mineral water springs in Europe and some, such as Herculaneum, were renowned in Roman times. It is claimed that these spas are effective in the treatment of rheumatism and geriatric ailments; the amount of publicity they are given reflects the further source of foreign currency earnings, and 10 new beds are proposed for leading spas.

In the light of so much publicity for tourist diversification in the near future, it is fair to wonder whether this will not stimulate demands for which the country is economically not ready? This suggestion is dismissed by Mr. Renato Iliescu, senior Tourism Ministry official. He says: "Although tourism brings in 6 per cent of our foreign earnings, it is not of proportion to the development of the rest of the country. Remember, 34 per cent of national income goes into industrial investment."

Richard Hall

# Farmers make up for lost time

AGRICULTURE IS in Romania area is large and there is only just emerging from decades demand on international markets for the produce that a country with Romania's climate can grow.

Like all Comecon countries except Poland, Romania's agriculture is in public hands, except for a few small hill farms. Although the bulk of farms are co-operative, there is a growing State farming sector, which is seen as the spearhead. State farms tend to be more efficient thanks to a higher level of mechanisation and expertise. They also act as training grounds for people who later join co-operatives.

During the current Five Year Plan, the annual growth in productivity, the long-term prospect must be judged excellent. The agriculturally useful 4.7 per cent registered in the last Plan, when floods caused serious setbacks.

This higher rate will be made possible by heavy investment in infrastructure, equipment and chemicals. The main infrastructural projects are land improvement, irrigation and flood protection along the Danube valley where the greatest losses occurred five years ago.

On the equipment side, Romania produces its own tractors and combines, but is interested in foreign know-how when it comes to intensive animal breeding and hothouse cultivation.

The local agricultural chemical industry is geared to fertilisers, herbicides and similar chemical agents are being produced largely with outside co-operation.

In crop production, the biggest effort is going into raising the grain harvest by at least 50 per cent to achieve an annual average in the second half of this decade of 20-22m. tons. This is almost one ton per head of population, and if achieved would make Romania proportionately one of the largest grain producers in Comecon.

With a 1980 target of 23-25m. tons, the country might just have a surplus for export, depending on the level of reserves built up in previous years. So far as is known, this year's harvest will be roughly the same as last year's when it totalled 19.8m. tons, which was slightly below plan.

Another important crop is sugar beet where Romania is also on the verge of achieving a useful export surplus. Annual output is planned to average 8-9m. tons, roughly twice domestic consumption. Other crops with good export prospects like fruit, vegetables, and grapes are also due to be produced in 80 per cent greater quantity than in the last Five Year Plan.

The main weaknesses in crops is an inadequate soya bean harvest. The annual production around 500,000 tons meets only two thirds of Romania's needs, entailing costly imports.

A more solid crop production base, particularly of grain and soya, is seen as a prerequisite for rapid development of the livestock sector, which has traditionally been weak. Output of meat and animal products has consistently been below plan due to poor fodder supplies and ineffective breeding.

Although meat consumption in Romania is very low at 40 kg per head annually and could

obviously be raised by at least 50 per cent, the greatest incentive to raise production is the strength of foreign demand, even inside Comecon where meat is traded on a dollar basis.

Meat output in the Five Year Plan will rise by a third, which is a sizeable jump, but not so significant when set beside growth targets of 50 per cent or more for crops.

In the allied food industry, one of the aims is to turn meat production to better account by processing it more thoroughly and packaging it for retail.

The main line of development in livestock is the extension of intensive breeding techniques, particularly for poultry, pigs and cattle. Output from intensive farms already established is considerably higher than average and has justified the large investment costs.

An important sector allied to farming is timber. With its large forested areas, Romania is an important producer of wood and wood products for export.

## Softwood

This year, around 4m. cu. m. of timber will be processed, and reforestation carried out on 120,000 acres. Some two thirds of Romania's standing timber consists of softwood varieties.

Along with the drive to raise output in all sectors, a key aim of agricultural policy is to improve productivity. Although farming employs a third of the population, it accounts for only one eighth of the national income and a fifth of exports.

The sector is therefore under pressure to shed as much manpower as possible to relieve the undermanned industrial sectors, and these losses will be made up by more rapid deliveries of machinery and other labour-saving equipment. Needless to say, this is also changing the face of the Romanian countryside, as the villages disappear and these losses will be made more organised.

In the long-term, of course, it is very much in Romania's interest to achieve this long-delayed transformation. As neighbouring countries like Hungary and Bulgaria have shown, it is perfectly possible for socialised agriculture to put itself on a firm industrial footing and achieve levels of productivity that compare favourably with those found in the West.

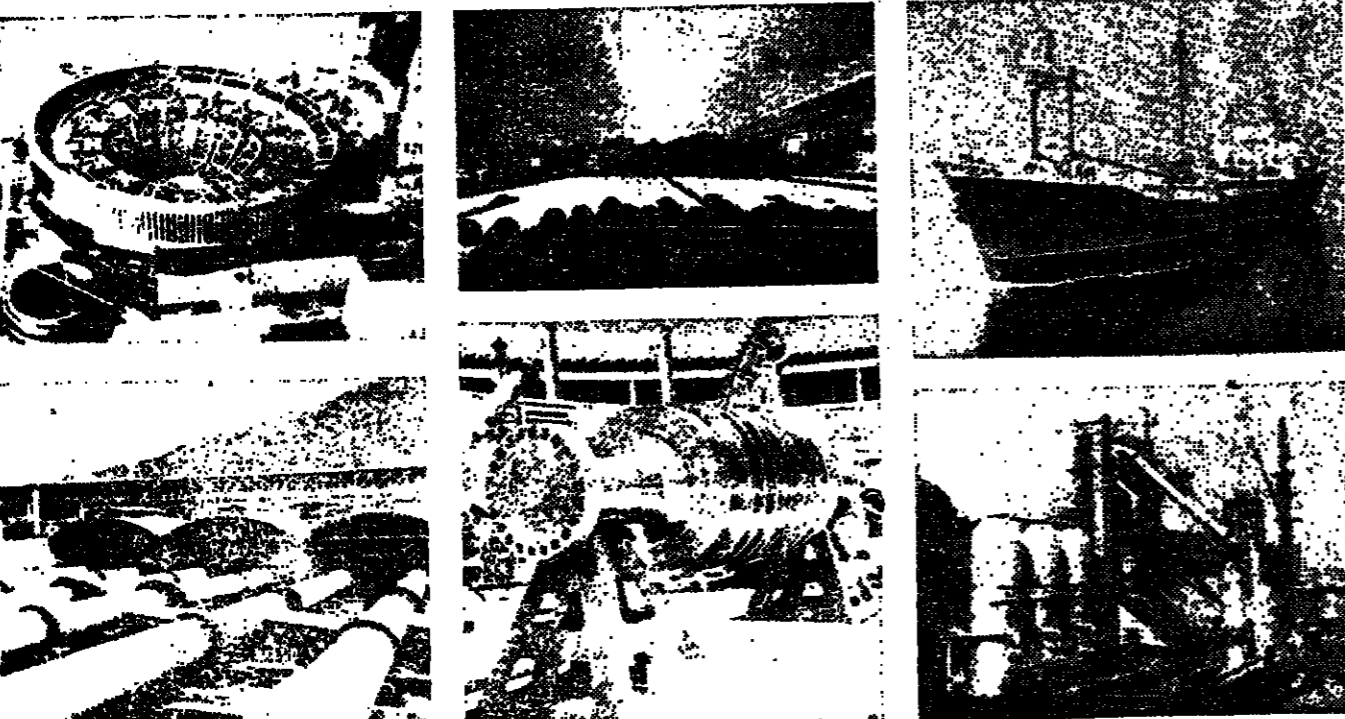
D.L.

## OUTPUT OF MAIN AGRICULTURAL PRODUCTS, '000 tons

	annual average (1971-1975)	1977 plan
Grain	14,804	21,165
Sugar beet	4,757	8,480
Sunflower	780	1,109
Autumn potatoes	1,927	4,750
Field vegetables	2,549	4,118
Fruit	1,086	2,058
Grapes	1,199	1,798
Meat (live animals)	1,765	2,470.3
Cow's milk ('000 hl)	42,338	51,610
Wool (tons)	30,400	38,235
Eggs (million)	4,642	6,102

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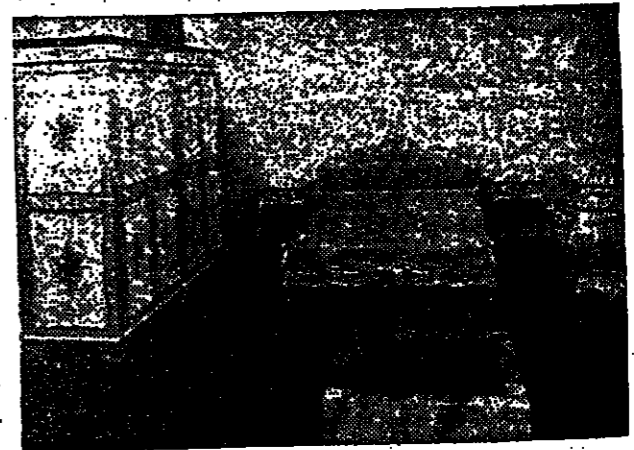
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# The Management Page

EDITED BY CHRISTOPHER LORENZ

Nicholas Owen looks at the fluctuating fortunes of steam railways

## Finance on the footplate

THE CHAIRMAN of a House of Lords Committee once declared to a group of eager railway promoters that only young boys and old men could have the faintest interest in seeing ancient steam trains running over a preserved line. His committee accordingly allowed the Central Electricity Generating Board to build a new power station near Blaenau Ffestiniog, North Wales, which in the process flooded the course of an old slate-carrying railway.

How times and attitudes change. The line had been bought in a derelict condition by the Ffestiniog Railway Company in the mid-1950s with the idea of running tourist services from Blaenau and its slate barries to Portmadoc, the nearest harbour. But a mile or so short of Blaenau, the EGB went ahead and flooded tracks to create a new lake. After 17 record-breaking years of legal argument, the CEBG had to pay a total of £106,000 by way of compensation for loss of pits to the FR. The company is always being determined to traverse all the way from Portmadoc to Blaenau, where the ruins of the slate works which is expected to cost an estimated £1m. has been started in a deviation route round the EGB lake.

The Ffestiniog company's willingness to battle with commercial giants, to say nothing of the difficulties of building a new railway track, seems quite realistic now that independent railways have become such an accepted and important aspect of Britain's tourist industry in the provinces.

The period of Britain's industrial decline has been paralleled by increasing interest in our industrial history. This may help to explain why a country which has seemed to breed more railway enthusiasts to the acre than any other, can support at present more than 40 private (mostly steam) railway installations, whether complete lines or working museums.

The question of how effectively they are managed and marketed is thus a significant one. Almost all the organisations involved rely to some extent on volunteer labour, and there is no shortage of people ready to wave a flag, dig a tunnel, or—as in the case of the Bluebell Railway in Sussex—of airline pilots keen to relax by driving steam engines around at not much more than 20 mph.

Another great boon to several lines has been the Government's job creation programme. This is seen most dramatically in the case of the Ffestiniog Railway, which deserves close examination as the busiest of the independent lines. To help with the deviation route round the power station lake, 42 men have been provided—under £100,000-worth of job creation. Direct financial help has also come from the Wales Tourist Board with £70,000; it has helped the FR before, one project being the 50 per cent financing of a new headquarters at Portmadoc. From the National Westminster Bank came an interest-free loan of £7,000 from its own job creation budget.

Running what is at the moment an 11½-mile line, FR turnover from rail tickets, shop and catering sales, and a British Rail ticket agency will amount this year to some £400,000. Operating expenditure is put at £229,500. On top of that will come unpredictable costs of repairs and rebuilding to the railway's 19th-century engines and the building of new coaching stock; there is the continual flow of money to deviation expenditure.

The Ffestiniog enthusiasts' society, which general manager, Allan Garraway, happily equates with a (well-behaved) football supporters' club, is 6,500 strong, the biggest in Britain. It provides a pool of willing labour to augment the FR's 76 full-time staff. This is a high figure for a preserved railway and makes the FR one of the biggest employers in the area.

Garraway is a strong-willed professional locomotive engineer, and his 22 years on the Ffestiniog make him the longest-serving independent railway manager. In an observation where he and managers elsewhere are extremely fond of making, Garraway says he is not in charge of a bunch of "railway enthusiasts, but of enthusiastic railwaymen." The distinction is important when a business has reached the size of the Ffestiniog. An example of new technology on the line has been the switch from coal to the burning of oil, much of it recycled. Oil was adopted to eliminate the risk of lineside forest fires from stray sparks. The FR is now working on a similar system for the Aberystwyth-Darvel Bridge line through the Vale of Rheidol, British Rail's only preserved and steam-operated narrow gauge line which has fortunately survived earlier thoughts of closure.

Garraway's point about enthusiastic railwaymen is echoed by Barry Cogar, a former supermarket manager, who is in charge of the standard gauge Dart Valley company in Devon. This set-up, in the heart of Britain's busiest holiday area, is one that has raised money by way of a public flotation. The Dart Valley line spent most of its life as a charmingly un-economic backwater of the Great Western Railway. Money to take over the Buckfastleigh-Totnes stretch was raised locally and from numerous railfans. Scrapyard and backyards were scoured for old GWR engines and coaches.

Then the Dart company took an ambitious leap forward. British Rail announced the closure nearby of its line from Paignton to Kingswear on the Torbay coast. The DVR moved in, paying £1m for the branch. That was the maximum sum planned to be raised when the company floated in 1972. Several issues, as with the Severn Valley Railway in Shropshire, went well with little more than pro-



A steam engine on the Bluebell line.

misers of free tickets for shareholders and vague talk of future prosperity. At least one recent issue, for the Winchester-Alton "Watercross line," missed initial targets badly and operating proposals had to be scaled down accordingly, indicating that the railway market might have reached saturation point. But five years ago the DVR actually talked of future dividends, 3 per cent having been paid in 1971 to existing holders of £1 shares, mostly local businessmen. It all helped emphasise that this railway was headed about making profits on everything from selling rail tickets, tea towels, and the small ex-BR hotel which the company acquired at Kingswear. The issue succeeded, but life was tough for the DVR's new venture.

It is sometimes said that if independent companies can make a go of previously closed lines, why can't British Rail? The answer is that they cannot if they are faced with providing the sort of day-in-day-out service BR is obliged to offer. Devon County Council was enthusiastic about the Dart Valley's take-over of the Kingswear line and made a subsidy towards the carrying of schoolchildren. The DVR hoped that local adults could also be persuaded to forsake their cars and use the trains. But they could not, and the county council subsidy was insufficient to cover costs. The DVR learned an expensive lesson. The actual loss in the first year of Kingswear operations sounds small at £3,000 but was hard for a small company which had to lay off several of its full-time staff. Winter working was abandoned.

The Bluebell was the first standard gauge line to be preserved, and runs between Horsted Keynes and Sheffield Park. The Bluebell company first leased the five-and-a-half-mile line for £2,000 a year, but under a change of policy British Rail insisted on outright purchase, which meant the Bluebell company had to raise £45,000 from a mixture of takings, a 50 per cent share of the fees paid by members of the Bluebell enthusiasts' society, a special appeal fund (which produced £20,000) and a mortgage, paid off in two years.

The Bluebell has a plethora of appeals going for specific projects, like new workshops—

### INTERNATIONAL CONGRESS OF ACCOUNTANTS

## Professional body to be worldwide

THE ORGANISATION of the accounting profession, on a world-wide scale, took a big step forward this week, with the formation of a body called The International Federation of Accountants (IFAC) which will have a permanent headquarters and staff in New York.

The function of the IFAC will be to co-ordinate and seek to harmonise accounting developments not only across the boundaries of the rich industrialised western nations but also in Asia, Africa and South America. In doing this it will concern itself with developing minimum guidelines for the profession in such areas as auditing ethics and education. Management accounting will also receive attention.

### Shortcomings

But while the visionaries of the accounting profession work on others are more concerned with the shortcomings of their profession on a national scale. A special study of the British accountancy profession, by Mr. Michael Renshall, a Feat, Marwick Mitchell partner, which is published this week, finds that the prospects of early unification of the British profession are slim.

### Future

Like many things in the pragmatic world of accounting, IFAC has been formed several years after the leading accounting nations of the world found it desirable to set up another body to work out minimum international accounting standards. This organisation, the International Accounting Standards Committee, has its own headquarters in London, and has already issued seven international accounting standards. For the foreseeable future however IASC is to remain autonomous of IFAC, although it seems likely in the longer term that their identities may merge.

One factor which could well prevent this happening for some time, is the fear that IFAC will become nothing more than a vehicle for peddling American accounting practices and procedures to the rest of the world. This is one of the main reasons why IFAC's first President Dr. Reinhard Goerdeler, is a German accountant, and his deputy, Mr. Gordon Cowperthwaite, is from Canada.

It is tempting to dismiss the formation of organisations such as IFAC and IASC as being of little practical significance, to the individual accountant or company. What point it may reasonably be asked, is there in issuing so called international accounting standards when most accounting bodies have neither the status nor the resources to enforce them?

However, there is consolation in that the decline is exactly in line with Welsh tourist business generally.

In England, the picture varies. The sweltering summer of 1976 was disastrous for the Dart Valley with holidaymakers heading for the beaches or the moors. That was reflected in a trading loss of £4,288; there was a pre-tax profit, thanks mostly to surplus asset sales, of £734 against a previous £17,373.

This year, with less sunshine, all records have been broken. A great help, the DVR says, was the decision to do a little advertising on Westward Television. The legions of West Country caravanners and self caterers include many who take TV sets. Other railway companies note the development with interest; the DVR intends to step up such advertising next year.

Trade on the Bluebell, by contrast, has been "level pegging" with last year. Revenue in 1976, unlike the sun-stroked Dart Valley, had jumped 35 per cent, thanks in great measure to souvenir shop sales indispensable to all private railways. But costs rose swiftly too and the 1976 pre-tax profit edged up only £300 to £25,858.

Most of the independents, with exceptions like the Snowdon Mountain Railway which has always been purely a commercial business, expect more than for revenue to cover the costs of maintaining and perhaps extending their facilities. Even if there was a slight downturn this year, the companies can be pleased that the lines are brought together in a joint marketing operation called the Great Little Trains of Wales, which reports carryings down 3 or 4 per cent, on 1976. Wales.

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# Carbon fibre: the tale of a "wonder material"

BY DAVID FISHLOCK, Science Editor

## Foreign money inflows

THE MONTHLY analysis of central Government financial transactions provides a rough advance glimpse at the course of the public sector borrowing requirement, which in turn influences the growth of the money supply and will limit (under the terms of his under- taking to the International Monetary Fund) the size of the tax cuts which the Chancellor hopes to announce shortly. So far as the latter is concerned, the general impression seems to be—no precise calculations are possible halfway through the financial year—that the PSBR is running at about £1bn. less than originally estimated and that this, therefore, is the measure of what Mr. Healey can do to stimulate the economy before next April's Budget.

The drop in the central borrowing requirement during the first six months of 1977-78 is due to a number of factors. Some of these will not affect the borrowing requirement for the public sector as a whole. But the buoyancy of tax revenue (probably due in large part to the effect of inflation) has meant that the amount paid into the consolidated fund during the first half of 1977-78 has been 16 per cent. higher, against an original estimate of 12 per cent. for the whole year.

**Tax cuts**  
To the extent that the buoyancy of the revenue and the shortfall of the PSBR is due to inflation, tax cuts to offset the effects of inflation—cuts, that is, in direct tax—are a reasonable expectation and one to which the Fund officials who will be visiting this country next month could raise little objection. Their objections will be the less since the containment of the PSBR has been one factor enabling the authorities to keep the growth of the money supply (on the broader definition) to the lower end of the target range for the year. But the growth of the money supply is not necessarily going to be so easy to control for the rest of the fiscal year.  
Not all the money that has been pouring into this country

IN RATHER aggrieved tones, Morgan Crucible announced on Monday that it was ceasing to manufacture carbon fibre, the "wonder material" of the late 1960s, because sales remained "slow and unprofitable." It accused Government departments of failing to support what the Government itself had once heralded as a great British technological achievement; and the National Research Development Corporation, State-owned patron of innovation, of failing to defend its patents.

What has happened to make Morgan Crucible, a company whose business is making carbon products, so disillusioned with one of the strongest and stiffest materials for its weight, ever invented? Mr. Ian Weston Smith, its chairman, denies that it was the defection of its U.S. partner, the Whitaker Corporation, for whom it set up a continuous manufacturing plant in California, but which abandoned carbon fibre during the U.S. recession in the early 1970s.

### Watertight patents

Morgan Crucible, he claims, found no lack of other U.S. suitors. But they all required assurance that the NRDC patents on the material and its manufacturing process were watertight—and this the NRDC failed to demonstrate. It settled out of court with Great Lakes Carbon; and this, says Mr. Weston Smith, precipitated the present proliferation of sources.

But the other two licensees of the invention of Mr. Willie Watt and his colleagues at the Royal Aircraft Establishment show no signs of abandoning carbon fibre. These are Courtaulds, which makes the Courtaulds fibre transformed by successive heat treatments into a remarkably stiff fibre of carbon; and Bristol Composite Materials, formerly an offshoot of Rolls-Royce, but sold off after the crash of 1971.

Courtaulds has been selling carbon fibre—profitably, it claims—to sports goods manufacturers, especially in Japan, to enhance the performance of golf clubs, tennis racquets, etc., so creating premium-priced products well able to cover the high cost of the material. The company announced in February a doubling of its manufacturing capacity, to about 110 tons a year.

At the other end of the scale, Bristol Composite Materials last spring announced a joint effort with GKN to break into one of the most cost-conscious markets—motor vehicles—where weight-saving (and hence fuel economy) would be the target.

All this is a far cry, however, from the markets originally picked for carbon fibre in the late 1960s. Rolls-Royce had selected it for the big fan blades of its RB211 engine. Its chief engineer, the late Mr. Adrian Lombard, planned to use several hundred pounds of the material per engine, in the form of reinforced plastics—a new kind of "composite" material. The nuclear industry was eyeing it as the perfect material for its gas centrifuges for uranium enrichment, which spin so fast that their rotors actually balloon

then—and to-day—would have been a big carbon fibre making manufacturing plant, making about 450 tons a year. On this scale the new material might sell cheaply enough to encourage a wide span of industry to explore its potential.

It was never put to the test. Later that year ICI announced that, having looked into the plans from the vantage of having no NRDC licence, its engineers had concluded that only by making the material on a much bigger scale than 450 tons a year could the costs be got

down to a figure where it might find a sizeable market. But — Catch-22 — market research showed that ICI could not possibly sell that much carbon fibre.

As one sympathetic Government chief scientist puts it, "the penalties of failure are too great for them to be very adventurous." The lesson he has learned is that when you design carefully enough, you find you already have a marvelous range of materials available, and you really do not need the highly-priced "exotic" materials scientists are offering.

Disaster struck early in 1970. A carbon fibre blade broke on a test run, and in a "domino effect" of the kind engineers dread, its debris caused other fan blades to break up. This unbalanced the engine to a point where the fan shaft itself snapped. A length of shaft shot from the engine like a shell.

Rolls-Royce's confidence in carbon fibre snapped, too, at this point. It promptly abandoned all hope of using it in the first production engines.

more like metals. But it also means that they begin to lose their polymer properties and hence their over-riding advantage, ease of fabrication.

There's a tremendous amount of scope yet with existing polymers," says Dr. Challis confidently, "in composites for example." He cites structural foams—plastics expanded by gas—which are opening up large engineering products to polymers. Some say that within a decade foamed polymers will account for greater sales of plastics than the solid.

### Specific need

When the material has been evolved to meet a specific need—to fill an "ecological niche"—as Rolls-Royce used to say about carbon fibre and the RB211 fan blades—it has little trouble in gaining acceptance. When Nickle's Nimonic superalloy, invented to solve a fundamental problem of the jet engine, is on example. Turner and Newall recently announced it was allocating a £750,000 annual budget to search for substitutes for asbestos, under fire for its toxicity. If Britain chooses the advanced gas-cooled reactor for future power stations, it may well launch a search for a ceramic insulation to protect the concrete pressure vessel, in place of the intricate insulation of stainless steel foil now causing so much delay in construction.

Less hopeful, however, are the prospects for the still-uncovered materials in search of an application. In more general terms, the defence research programme became puritan to many material inventors. In more stringent times a new mechanism seems to be badly needed if we are to be sure that a truly original material is passed over simply because the designer are still wading in under-utilised wealth.



Sporting and industrial: Carbon fibres are used in golf clubs (left) and ski-sticks (right), while a selection of injection moulding incorporating Courtaulds' "Grafil" carbon-fibre is shown in the centre.

## Balancing acts in Belgrade

WHEN the Helsinki Agreement on Security and Co-operation in Europe was signed just over two years ago, many people in the West felt they had been taken for a ride by Moscow. There were widespread fears that Helsinki had formally endorsed Soviet hegemony over Eastern Europe in exchange for East bloc commitments on human rights that would never be respected. Now, as the Belgrade conference to review the Agreement gets down to brass tacks, Western opinion generally takes the view that Moscow has more cause to regret Helsinki than anyone else. Not only have the East bloc countries been forced firmly on to the defensive over their human rights records, but repressive tactics have failed to quell the new wave of dissent inspired by the Helsinki Agreement.

**Delicate task**  
This makes the West's task in Belgrade particularly delicate. It is true that some Eastern countries—notably Hungary—have made efforts to improve their record on human rights, as well as to ease conditions for Western businessmen under the second section of the Agreement. But others, particularly the Soviet Union and Czechoslovakia, have done little or nothing, and Western public opinion wants to be reassured that something is going to be done about it. At the review meetings, Western delegations have already shown that they have every intention of pointing out that the East bloc has violated human rights in direct contradiction to the Agreement and insisting that Helsinki commitments are meant to be taken seriously.

On the other hand, the West does not want to take such an aggressive line that it drives the Russians away from the negotiating table. In the first more serious consideration than consequences in other vital pan-European conferences on rejected Middle East peace talks. In the second, it would not help the people whose rights are being violated.

### Concessions

The West will obviously have to make some concessions if it is to extract further commitments from the East on human rights. At the very least, the West will insist, for example, that groups of citizens must be allowed to do their own monitoring of the Helsinki Agreement's implementation without being persecuted. In negotiating away from the place that would have serious consequences in other vital pan-European conferences on rejected Middle East peace talks. In the second, it would not help the people whose rights are being violated.

## MEN AND MATTERS

**True blues—and blue jeans**  
Not far Conservatives the frantic efforts to catch the chairman's eye which led to such hilarious misunderstandings at the Labour Party conference last week. The affairs of "the People's Party" as it archly proclaims itself, in a slogan above the speaker's platform, are much more carefully controlled. Chairman David Sells knows exactly who is going to address us next; he even gives a little pocket biography of the impending speaker for good measure.



All of this reveals a degree of stage management whose value was amply underlined yesterday in the highly-charged debate on the closed shop in trade unions. The motion itself, with its anodyne call for "more consideration" for those who do not wish to join a union, was deliberately chosen for its blandness. But Rosemary Brown, the prospective candidate for Newham North West, who moved the motion, has a voice and delivery like La Fontanariva herself.

### Capital offence

The most striking poster on the Tories' fund raising booth inside the Winter Gardens shows a hand with a fat cigar clasped in a Harvey Smith salute waving from a coffin. It is a reminder for Tories to make their contribution to party funds more than a year before they intend to die and so avoid Capital Gains Tax. If you leave it too late, the text beneath explains, you may be permitted to pay only a hundred thousand pounds. "Only?" I asked Brigadier Lee in charge of the stand. "Is that meant jokingly or seriously?" He didn't think it funny at all. It seems that the party has

already received two private donations of that order.

**Stage rivals**  
It's ladies week with a vengeance up here at the Winter Gardens. Apart from the redoubtable Margaret Thatcher on the platform other entertainments include Danny La Rue and the Dome of Sark, William Douglas Home's play on the war time occupation of the island.

**Cockney charity**  
Probably the least likely organiser of a charity in Britain is Geoff Bradley, who is the driving force behind Research Into Child Blindness. Until 10 years ago he was an East London businessman—born in the Commercial Road and proud of it—whose main line was disposing of stocks from bankrupt companies. Then his son was born blind.

### Torrential tablets

The Germans' air of confidence and efficiency has its price. They are "Tablettenmonster" according to someone who should know, the Health Minister, Frau Antje Hübner. Statistics she has released show that some 75 per cent of the West Germans cannot get through three months at a time without taking medicines of some sort. Around 13 per cent (about 5.7m.) take at least seven different types of medicine over the same period. Another figure reflects the competitiveness and strain in German schools: 18 per cent of parents are ready to give children under 10 medicines "to improve concentration." Seven per cent give their children sleeping tablets.

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**Observer**

J. K. ...

# The Turkish slide into payments crisis

By DAVID TONGE in Ankara

**INTRODUCING AN** austerity programme generally is a thankless task but the Turkish Government's long-overdue measures have been criticised even by many whom they were intended to satisfy.

A devaluation, a tightening of credit and an increase of the price of state produced goods so as to reduce the budget deficit—last month's measures were a standard answer to domestic inflation and to a foreign exchange crisis. But both bankers and businessmen argue that they were only a small step in the right direction. "Too little and too late," has been the general response to the 10 per cent devaluation of the lira since August. One foreign banker in Istanbul argues that devaluation should have been by at least 20 per cent, that interest rates remain too low, and that major measures are needed to encourage savings.

The Governor of the central bank, Mr. Tayyar Sadiklar, estimates that stocks of 1976 crops are worth \$1bn., the main items being cotton, tobacco and wheat. A 15 per cent tax rebate granted for cotton exports has been introduced. Exports in Izmir say that exports of the 1976 tobacco crop, due to start shortly, will be helped by the devaluation, though they, too, wish it had been larger.

The Secretary-General of the Turkish Industrialists' and Businessmen's Association, Mr. Güngör Uras, insists that the devaluation will not stimulate exports of manufactured goods since Turkey is a seller's market. But he believes that the reduction of the budget deficit and the devaluation, even if inadequate, should "soon begin to help foreign funds flow into Turkey, provided there is no political interference." Like many Turks, Mr. Uras suggests

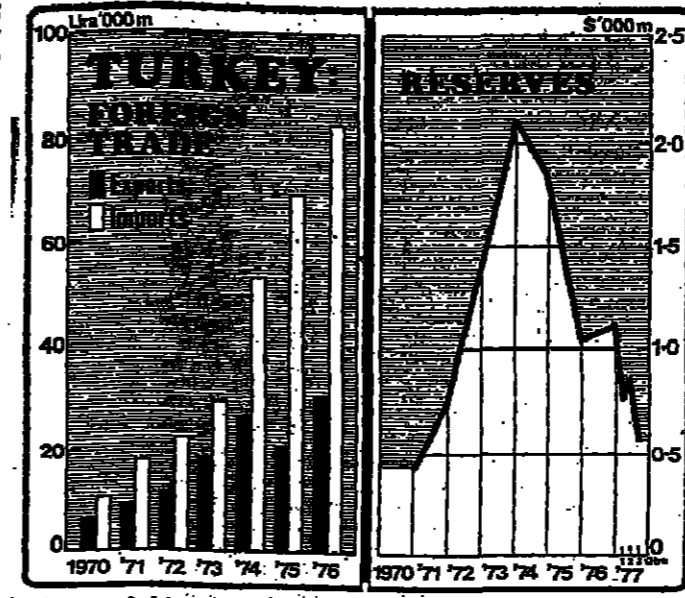
that the U.S. arms embargo imposed because of the invasion of Cyprus had subsequently turned into a financial embargo inspired by the Americans. But Western financial circles insist that throughout this year they have been waiting to see what measures are taken to tackle the growing economic crisis.

The present situation is grim. It would be merely ironic that Istanbul has run out of Turkish coffee, were coffee not the least of the products which have gone in short supply as the central bank has become unable to meet its immediate foreign exchange liabilities. The delay before foreign exchange is transferred to pay for vital imports such as oil has lengthened to around 10 weeks. For less essential imports the delay is up to 10 months.

Industrialists complain about the wave of strikes and daily power cuts and say that many factories dependent on imported raw materials are working at only half capacity. The unions stress that there are 2.5m unemployed and that the rate of inflation exceeds 30 per cent.

As Turkey's creditors watched in dismay the current account deficits in the first six months of this year jumped to \$1.7bn. more than double the figure of the same period of 1976. It was financed by running down reserves and delaying payments for imports. Between January and September 16 the figure for the official reserves of gold and foreign exchange fell from over \$1bn. to \$586m. This last figure is not only equivalent to a mere six weeks' imports, but foreign bankers suggest that it means that Turkey has now the bare minimum of liquidity needed for day-to-day business.

A lag in payments has built up over the year. The best



indicator of this is the value of import deposits with the Central Bank. These deposits are made up, firstly, of compulsory deposits of up to 30 per cent of the value of some imports which importers must make prior to importing the goods. These "penalty" deposits, designed to deter importers, are refunded when the transaction is completed. Secondly import deposits consist of Turkish lira paid into the Central Bank by importers for remittance in foreign exchange to the exporter. At the end of 1976 the total of import deposits had been the equivalent of \$697m. By mid-September it had reached \$2,016m. Foreign bankers estimate that up to 85 per cent of this last total was due for remittance, though one argues that only \$300-400m of the total represents a formal legal debt of the Central Bank in that it is due on letters of credit authorised by the Central Bank itself.

The \$2bn. convertible lira deposits are a further short

as being protected by the aspects of the problem. A surge foreign exchange guarantee in liquidity has been fuelled by given by the Central Bank. The shortage of foreign payments, by the Government's exchange is now beginning ambitious industrialisation programme, and by the budgetary. The military require some deficit caused by the transfers from the Treasury necessary to meet the losses of lira 3,3bn. being made each month by the state economic enterprises. Through these enterprises the state owns nearly one-half of Turkish industry. The Minister of Finance, Mr. Cihat Uluçbayrak, says that in the past six months the money supply has risen by 38-40 per cent.

The measures to restrain credit have been less effective than the raising of the prices of petrol products, cement, iron, electricity, cigarettes, alcoholic drinks, and numerous basic commodities. With even this price of burials jumping, employers are the first to talk of the social unrest which could be caused by these measures. The normally moderate trades union confederation, Türk İş, is talking again of a general strike. As for the opposition, though not mobilising for action against the Government's policies, it has accused the Government of tying economic development to "a couple of words from the lips of the IMF." It has attacked the Government for making the low-income groups alone pay for the austerity. Even the President of the Republic, Admiral Fahri Kocutürk, has said of the price in the 12 months to June, increases that their impact on low income groups and civil servants has been especially grave. "The Government promises some measures in this respect I, along with the people, am awaiting these measures with curiosity." As for the Demirel Government, as it struggles to stay in office, it must be wondering whether the worst is still to come.

## Contingency fee system

From Mr. A. Carter

Sir,—You report (October 7) the possibility of litigation being changed, in this country, to the contingency fee system in the U.S.

Far be it from me, a simple lawyer, to attempt to counsel the Law Society but as one reads the experience of professional and, indeed, anyone operating in the public service in the U.S., the volume of "cocky" litigation there for trivial items is enormous. The images apt to be awarded are such magnitude that it is impossible for some professional people, for example in California, to get insurance cover even for nominal premiums.

In the contingency fee system costs to the defendant can be beyond either the capacity of an individual to carry or to sue against, let alone the risks of huge damages.

I cannot see any reason why lawyers should want to change the present system which, all its faults, but rarely makes significant mistakes and seems to rate far more justly. It might be more in trade for the years but anything that would encourage frivolous litigation in the present atmosphere of rebellion in this country could end up many people ceasing to be able to carry on the service to public that can now give to equanimity the doctors I have to rethink entirely in attitude to any item of claim.

A large part of the very high cost of medical care in the U.S. is directly from the contingency fee system: no doctor advises treatment that is not totally safe and certain in effects without undertaking any conceivable investigation; in court, it could be shown to some object and expensive investigation might have influenced the advice. The sheer time involved in this routine would give the greatest difficulties to already heavily-pressed national Health Service.

E. Carter, Harley Street, W.1.

## Letters to the Editor

reason for this is quite simply that some of the settlements have been quite fantastically large and have been gone for simply in order to increase the amount of fee that the attendant attorney would be entitled to.

We all know of the public liability awards made in the States and that to-day nobody goes for anything less than \$1m. I do not believe that this is a system we want to see in this country and even if we could have very serious reservations in the States about the continuance of this system. Indeed I have heard several times that they are intending to move away from it because of the disbenefits that it has brought to the legal profession. So I hope very much that the Law Society will bear this in mind before it changes to follow a system that has proven less than satisfactory.

M. J. Kenrick, PO Box 2, West Bromwich, West Midlands.

## Readopting Mr. Scott

From the Chairman, Chelsea Conservative Association.

Sir,—Nicholas Scott has now been recommended by the executive Council of Chelsea Conservative Association for adoption as prospective Conservative candidate at the next General Election. May I therefore take an opportunity to correct certain inaccuracies in the accounts of recent events by Rupert Cornwell, your Lobby Correspondent.

Best response to an inquiry carried out by his predecessor... In fact, a four-man sub-committee met the Member last January, to raise with him a number of matters originally put forward verbally or in writing by members of this association. As our minutes show, the inquiry had not been "closed" when I wrote personally to each ward and branch chairman, seeking his or her confidential views about re-adoption of Mr. Scott.

The Beale faction scored its biggest victory... I am quite unaware of any such faction. The standing selection committee of this association is composed of all the elected officers, as well as the ward and branch chairmen, young conservatives, etc., chairman in the case of people who do not live in Chelsea, they are replaced by responsible vice-chairmen who do. It was this top committee of the association which voted 11:10 for a re-selection procedure including Mr. Scott and at least one other candidate. (Suggestions that I was after the nomination ignore the fact that

## NHS finance and structure

From Mr. P. Martin.

Joe Rogaly, in his article "There is hope for the National Health Service" (October 4) reaches some conclusions which are not substantiated by the statistics he quotes. For example, he points out that because the bulk of the health service is provided by the State, British Governments can usually keep down the salaries and wages of medical personnel, at least relative to incomes of people in similar occupations abroad.

The statistics in the table however, show that public expenditure on health as a proportion of total national expenditure on health is 98 per cent in Italy (with doctors income 8.8 times average manual earnings), 84 per cent in Belgium (five times average manual earnings), and that these compare, for example, with Canada, where public expenditure is 75 per cent but doctors earn 4.8 times average manual earnings. In the U.K., the comparable figures are 88 per cent and 2.7 times manual earnings.

These figures suggest it is not only the British Government's "bulk buying" of medical services which is the cause of low salaries and differentials among doctors, but rather the financing of the delivery of health care. This leads to what Mr. Rogaly describes as the extent to which "highly paid (?) consultants do many tasks which could be done as well by cheaper less qualified staff."

## The problem

From the Editor Plant Engineering and Maintenance

Sir,—In the article by Pamela Judge (October 6) on the Publications' report called The Trade Press in Britain, it is noted among respondents in the study "that 48 per cent believe that magazines could do more to influence the ventilation of their industries' problems."

I have been trying to do this for the last 20 years and in all that time I have only met one company who would admit it had any problems! In one attempt I offered to publish problems, anonymously if necessary, and ask readers to suggest solutions. No problems were forthcoming so we set up a series of enormous problems which drew enormous response from readers and provided some most interesting and ingenious solutions.

The reluctance on the part of companies to admit to having problems is probably part of the financial secrecy with which so many of them surround their activities. It is my experience that the greater the secrecy, the less there is to hide.

There is also another human trait—we are happy to learn, but we object strongly to being taught! I thought that some junior technicians could teach an old company a few tricks more than most company directors can stand!

H. R. Heap, 577, Southwark Street, S.E.1.

## Fatuously large settlements

From the Managing Director, Shubald Kenrick and Sons.

Sir,—I hope that Mr. Richard By, president of the Law Society (October 7) and indeed members of the Law Society are aware that the contingency fee system is under considerable review. The main

## Wage awards and unemployment

From Mr. W. Trillwood

Your editorial (October 7) on the implications of "wage take-all" upon the effects upon individual firms and their employees will be clearly split out. It is without saying that a firm ought to make a profit and head for Carey Street and its eyes for unemployment.

Information on the number of employees in post-war years is representative of the rate sector of the economy and each constituent firm directly and indirectly generates work, wealth and employment for smaller firms as well as for the public services and thus affects the well being of the entire national economy.

The 160 firms referred to in the table cover approximately 25 per cent of the firms comprising the All-Share Index. It is a Beasley, Oxford.

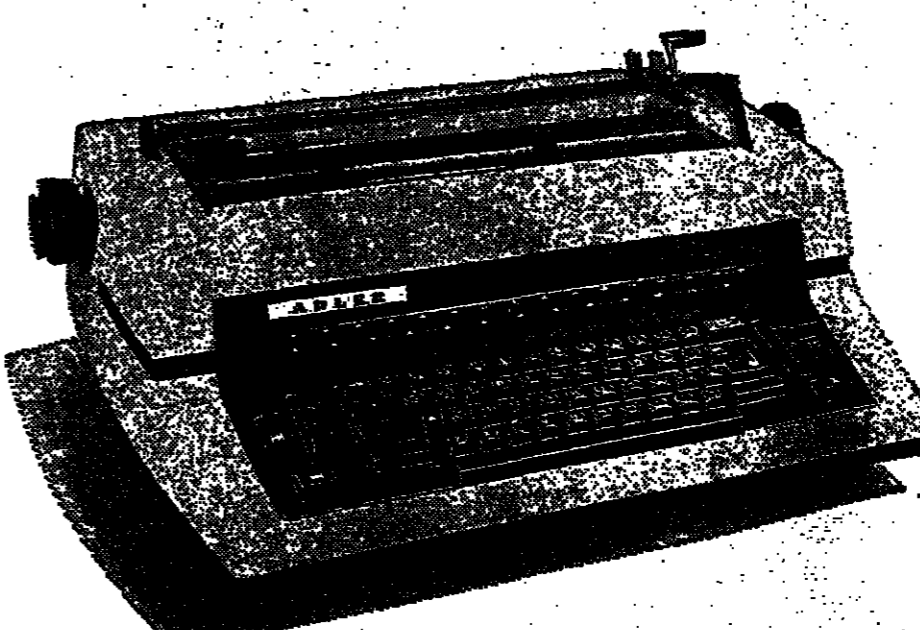
Numbers of Firms	Jobs at risk
15	122,745
67	582,438
77	969,399
160	1,644,582

## To-day's Events

**GENERAL**  
West German industrialists in U.K. for discussions with Prime Minister, Cabinet members and representatives of industry and trade unions.  
Conservative Party conference, Blackpool, debates economic policy, local government and farming. Main speakers include Sir Geoffrey Howe, party's economic spokesman.  
TUC - Economic Committee meets, and is expected to consider writing to unions which have not yet settled deferred Phase Two pay claims.  
Mr. Roy Jenkins, President, European Communities Commission, has talks in Tokyo with Mr. Takeo Fukuda, Japanese Prime Minister, and Mr. Ichiro Hata-

**Foreign Minister.**  
Mr. Roy Mason, Northern Ireland Secretary, on investment-seeking tour of U.S.  
Ford pay talks between unions and management resume in London.  
Italian Parliament receives details of country's 1978 Budget, and indications of how Government intends to hold total spending within limits already agreed with IMF.  
European Parliament in session, Luxembourg.  
Wholesale public inquiry continues, Whitehaven.  
Mr. Jan Hildebrand, director-general, Institute of Directors,

leads discussions on Morale of British Industry, 10, Belgrave Square, S.W.1, 11 a.m.  
Last Christmas posting date for letters and cards by surface mail to Australia and New Zealand.  
**COMPANY RESULTS**  
Consolidated Gold Fields (full year), Empire Stores (Bradford) (half-year), News International (Holdings) (half-year), Wilmot-Breen (Holdings) (half-year), BREXID (Holdings) (half-year), Socoer, World Cup qualifying matches: Wales v. Scotland, at Liverpool; Northern Ireland v. Holland, at Belfast; Republic of Ireland v. Bulgaria, at Dublin. House, W. 12, Waring and Gillow, Under-21 International, England Sheffield, 12. Wholesale Fixings, v. Finland, at Hull Tennis; Pernod Trophy Final, Bournemouth.



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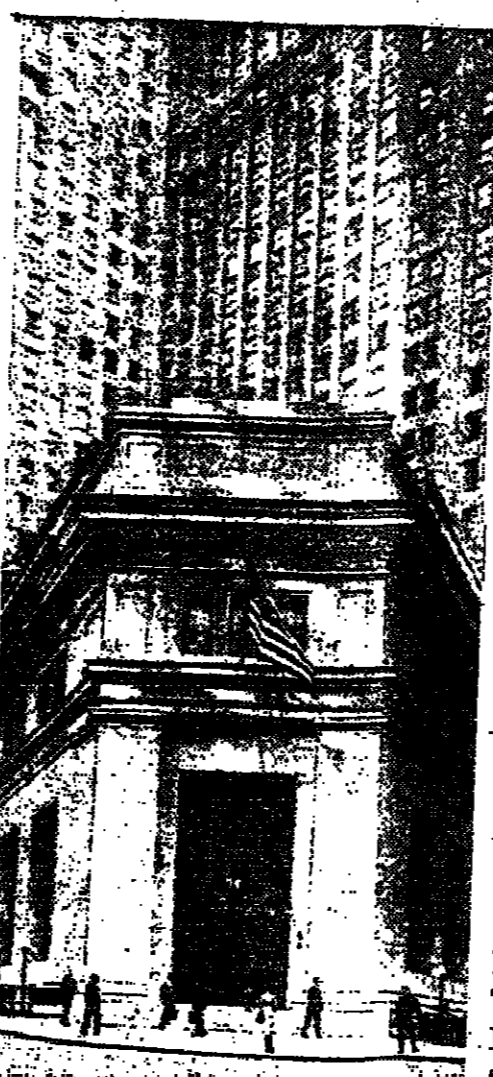
A group of Morgan's internationally-based Financial Services specialists at a meeting in New York. Clockwise from left, John Sands, New York, head of the department; Lucile de Baudry and Guido Cefalu, Paris; Frank Beelitz and Gianni Ragazzi, Frankfurt; Marc Varangot, São Paulo; Michael Allen, London; Keith McDermott, London and the Middle East.

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(Incorporated in Victoria under the "Companies Act, 1967") and its Subsidiaries

BOARD OF DIRECTORS

- Sir Thomas Webb (Chairman), S. M. Kampton (Deputy Chairman), J. S. Balderstone, Sir Kenneth Humphreys, S. C. G. Macaluso, D. R. Zaidler, C.B.E., F. F. Espie, O.B.E., D. W. Stride (Managing Director), David Dobbie (General Manager—Banking), T. Marcus Clark (General Manager—Subsidiaries and Affiliates)

Consolidated Balance Sheet as at 30th June, 1977 (Abridged)

Table with columns: LIABILITIES, ASSETS, and values in \$'000. Includes items like Authorised Capital, Issued and Fully Paid Capital, Loans, Advances and Bills, etc.

Consolidated Profit and Loss Statement (Abridged) for the Year ended 30th June, 1977

Table with columns: Group Net Operating Profit for year, Group Net Profit for year, Less Transfers to Reserve Funds, Dividends, Preference Dividends, Retained Profits.

The Annual Report containing the Notice of Annual General Meeting, Accounts, Directors' Report, Auditors' Report, etc., has been posted to Stockholders.

Senior Eng. six months progress

TAXABLE PROFITS for the first six months of 1977 at Senior Engineering Group rose from £2,207,000 to £2,816,000, on turnover up £3.3m. at £26.4m.

The short term outlook continues to be difficult, say the directors, and although they hesitate to predict the outcome for the full year, they are concentrating their efforts to improve the efficiency and profits of the manufacturing units.

Scottish Metropolitan expands

NET REVENUE from properties and investments advanced from £2.6m. to £3m. at Scottish Metropolitan Property Company and pre-tax profits expanded from £941,870 to £1,112,695 for the year to August 13, 1977.

Monument Secs. plans to sell properties

To help reduce bank borrowing by about £100,000 Monument Securities expect shortly to dispose of the properties. The resultant drop in interest charges, together with satisfactory trading results, should enable the company to show a further improvement in profit by March 1978, members are told.

As reported on September 30, taxable profit for the year to June 30, 1977, jumped from £17,883 to £124,896 on turnover ahead at £2.65m. (£1.67m.). The last dividend to be paid was 0.8085p net per 10p share for 1973/74.

First half turnaround at BMA

A £810,000 turnaround in results is reported by British Midland Airways for June 30, 1977, half an almost £1m. net in turnover from £7.85m. to £10.83m. In the last full year taxable profit was £90,000 including a £43,000 profit from the sale of a lease.

Downturn overseas holds back ABM midway

WITH AN advance of over 5m. at the trading level from the U.K. companies being more than offset by a setback on the overseas side and a doubled net interest charge, group pre-tax profits of Associated Biscuit Manufacturers showed a reduction from £5.86m. to £3.28m. in the first 36 weeks of 1977.

The principal reason behind the better U.K. figures is a much improved performance by Huntley Borne and Stevens. In the biscuit and confectionery divisions the increased U.K. turnover represents price rather than volume: exports show a 42 per cent. jump.

The chairman, Mr. Richard Carr, explains that the downturn overseas is disappointing due entirely to the David Company in Montreal which experienced lower sales and reduced margins. The French offshoot met problems on its new investment programme—sales were good but efficiency was temporarily affected.

The liquidation of Britannia Biscuit has been delayed but should be completed in early 1978.

Despite the downturn overseas the chairman feels confident in the future of all the group's international interests and it is planning to develop further overseas.

In the U.K. the confectionery and biscuit trades may continue to be difficult with volume increases only available at low margins. However, the chairman is optimistic about certain new products and the group's implementing plans to improve cost effectiveness in both production and sales areas.

Group sales in the 36 weeks rose by 13 per cent to £130m. in the U.K. they were up from £83.92m. to £90.63m. and overseas from £48.38m. to £47m.

36 weeks 1977 1976

Net profit before tax 2,251,245 2,236,322

Interest 1,229,321 1,229,321

Income tax 45,114 45,114

Attributable 976,810 961,887

Interim dividend 584,887 584,887

Dividend per share are stated at 4.2p against 4.7p. The interim dividend is increased from 1.32p to 1.6p net—the total for 1976 was 2.83p paid from profits of £10.17m.

Associated Biscuit has had its share of trading problems in the first half. Margins have been under pressure in the U.K. on the food side, reflecting some trading down by the consumer and the short view taken in the cocoa market where prices remain at very high levels, while overseas the David Company in Canada incurred losses mainly through a poor product mix. U.K. trading was, however, bolstered by a good recovery in packaging—roughly half the U.K. trading gain—but overall there is a 10 per cent. shortfall at the pre-tax level after more than doubled interest charges due to higher working capital requirements mainly raw materials. The trading pattern is bound to be similar in the current six months, although forward orders for the Christmas period have been encouraging. So

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Table with columns: TO-DAY, FUTURE DATES, and dates. Lists companies like Interline Allied, Huntley Borne and Stevens, etc.

Recovery continues at U.U.

CONTINUING ITS recovery into the second half clothing makers' factories U.U. Textiles returned round from a pre-tax loss of £298,700 to a profit of £62,600 in the year to April 30, 1977.

Mr. J. L. Turner, chairman, writes that current trade continues to be difficult with margins under pressure.

These conditions are likely to remain until there is an increase in consumer spending on clothing, he adds. The interim stage in February, reporting a turnaround from a loss of £120,000 to a pre-tax profit of £10,000, the chairman forecasts a further improvement in the second half.

The chairman reports that since the end of the financial year the group's banks have continued their support on normal banking terms subject to regular payments. The next review date is October 23.

After taking into account inflation, minorities and extra-ordinary dividends of £87,000 compared with £78,200, there is a deficit for the year of £16,000 against £57,400. The extra-ordinary items mainly comprise the closure costs incurred by the group following the cessation of various activities.

Earnings per share, before the extra-ordinary items, are stated at 0.85p (5.11p loss). There is no dividend—the last was an interim of 0.21875p in respect of 1974-75; in which year there was a turnaround from a profit of £241,015 to a loss of £27,700.

Group turnover 272,850,000 272,850,000

Trading profit 272,850,000 272,850,000

Interest before tax 272,850,000 272,850,000

Profit before tax 272,850,000 272,850,000

Minority 272,850,000 272,850,000

Extraordinary dividend 272,850,000 272,850,000

Loss 272,850,000 272,850,000

Loss following the circumstances cost following the circumstances

Strong & Fisher

(Clothing & Fashion Leather Manufacturers)

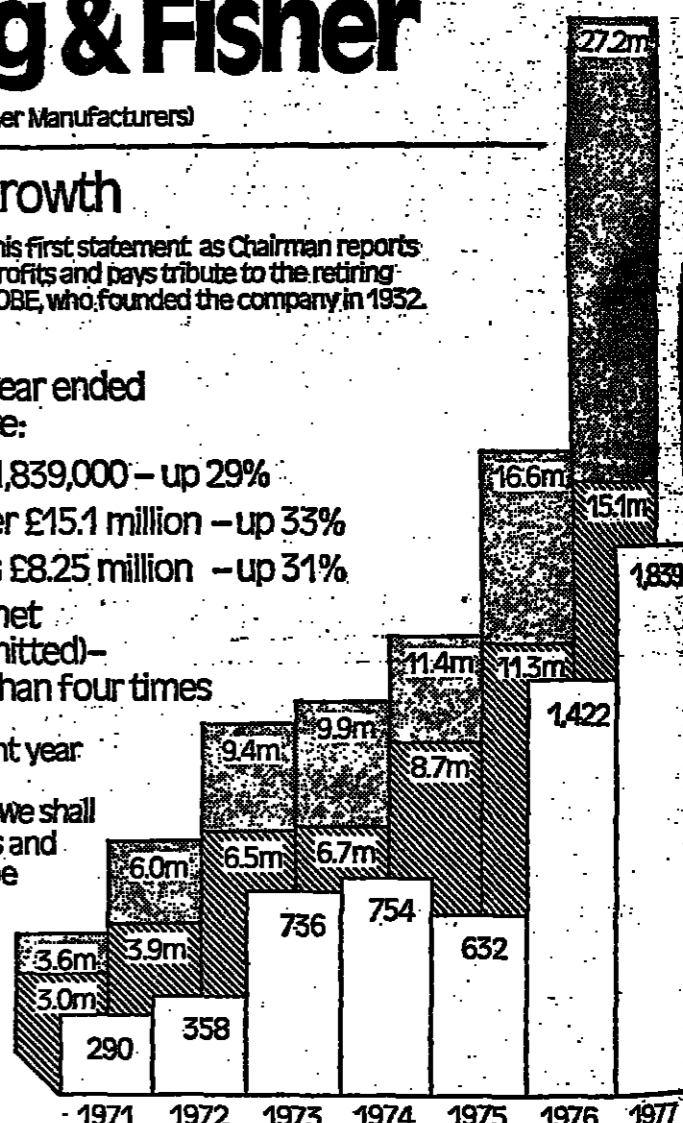
Continuing Growth

The Hon. E.D.G. Davies in his first statement as Chairman reports another year of record profits and pays tribute to the retiring Chairman, Mr. J.P. Strong OBE, who founded the company in 1952.

Highlights of the year ended 31st May 1977 were:

- Pre-tax profit £1,839,000 - up 29%
Leather Turnover £15.1 million - up 33%
Leather Exports £8.25 million - up 31%
Dividend 4.21p net (maximum permitted)- covered more than four times

Turning to the current year the Chairman says: "I am confident that we shall continue to progress and that the results will be satisfactory when I report to you a year hence"



Strong & Fisher (Holdings) Limited

Copies of the Report and Accounts are available from the Secretary, Strong & Fisher (Holdings) Limited, 100 Inchester Road, Rushden, Northamptonshire NN10 9XQ.

Bowthorpe Holdings Limited

'I am pleased to report an increase in the group's pre-tax profits for the half year... and expect the level of profits to be maintained for the remainder of 1977.'

JACK BOWTHORPE, CHAIRMAN, BOWTHORPE HOLDINGS LTD.

Achievements in the half year ending 30 June 1977:

- 1 Pre-tax profits £3.01m (£2.69m/1976)
2 Sales £18.83m (£15.16m/1976)
3 Earnings per share 4.1 pence (3.0 pence/1976)
4 Interim dividend Payable on December 15 1977 to shareholders at the close of business on November 7 1977 0.75 pence (0.67 pence/1976)

For a copy of the half year report, write to the Secretary, Bowthorpe Holdings Ltd, Crawley, West Sussex, RH10 2RZ.

Bowthorpe Heilmann Ltd: Bowthorpe EMP, Bowthorpe Heilmann Distributors, Heilmann-Deutsch, Heilmann-Electra, Heilmann-Electronic Components, Heilmann-Insold, Heit & Co Ltd, Power Development Ltd. Overseas subsidiaries and associates in Australia, Brazil, France, West Germany, Japan, New Zealand, South Africa, Switzerland and the U.S.A.

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THE SCOTTISH NEW TOWNS 19 Cockspur Street, London SW1Y 5BL. Tel: 01-930 2631

Handwritten signature/initials





INTERIM STATEMENT

Collett, Dickenson, Pearce International Limited

Half-yearly report Six months to 30th June 1977

The directors present the unaudited group results for the six months to 30th June 1977

Table with 3 columns: Item, Six months to 30th June 1977, Six months to 30th June 1976. Rows include Trading profit before taxation, Taxation, Profit after taxation, Minority interests.

The directors have declared an interim dividend of 1.5565p. per share payable on 28th November 1977 to shareholders on the register on 31st October 1977.

The main London company has achieved substantial growth in 1977, the additional business being generated by both existing and new clients.

Growth in business has contributed to an increase of 74% in Group profit before tax for the half year over 1976.

The company will be moving into its newly acquired offices at 110 Euston Road on 24th October 1977.

The company, having sub-let its Howland Street premises at a profit, is currently negotiating the disposal of its leasehold interest in these offices.

As there continues to be a change in the pattern of business with a steady levelling across the year, it is anticipated that, while the overall group will show a steady profit growth for 1977, it will not fully reflect the growth shown for the first half, though trading still remains good.

The directors also report that they consider that in the accounts to the 31st December 1977 it will be necessary to take account, as an extraordinary item (and without admitting liability) of a sum currently estimated at £600,000 including associated liabilities and expenses.

The agency is in a healthy position.

Trading forecasts make cheerful reading.

ASSOCIATED BISCUITS Interim report

Unaudited results for the 36 weeks ended 11th September 1977

Table with 3 columns: 36 weeks ended 11th September 1977, 36 weeks ended 11th September 1976, Year ended 31st December 1976. Rows include Sales, UK companies, Overseas companies, Share of overseas associate, Trading profit, UK companies, Overseas companies, Interest payable and other items, Profit before tax, Estimated taxation, Profit after tax, Minority interests, Profit attributable to ABM, Earnings per Ordinary Share.

Interim dividend on Ordinary and A Ordinary Shares payable on 31.10.77 7.5% 6.6%

Note: The results of the overseas operations for the 36 weeks 1977 have been expressed in sterling at the rates of exchange prevailing at those dates.

Group Results The results for the first 36 weeks of 1977 reflect the difficult trading conditions encountered in several areas.

United Kingdom Companies The principal reason for better profit figures in the UK is a much improved performance by Huntley Boome & Stevenson.

Overseas Companies Results from Canada are disappointing due entirely to the liquid Company in Montreal which has experienced lower sales volume and reduced margins.

Outlook Despite disappointing overseas figures, we feel confident in the future of our international interests and we are actively turning to develop further overseas.

Dividend The limited 1977 dividend (including 0.12% in respect of 1976 payable following the change in ACT to 34%) is 15.83%; of this total 7.50% has been declared as an interim.

The Associated Biscuit Manufacturers Limited logo and name.

MINING NEWS

South Crofty makes a bold start

BY PAUL CHEESERIGHT

SHARES IN the Cornish tin mine, South Crofty, marked their re-emergence on the Stock Exchange after a lapse of ten years by establishing a premium of 19p over their offer price of 50p.

Trading was very hectic for the first ten minutes in the morning, but then levelled out after the initial excitement.

Although the whole of South Crofty's issued capital of 15m. shares is on the Stock Exchange official list, the first 2.5m. shares, originally offered for sale by Saint Piran at a price of 50p each.

Tehidy Minerals

The Cornish concern, Tehidy Minerals, which earns the greater part of its revenue from the royalties and investment income, has done well so far this financial year and expects the final outcome to be good.

This assessment is made in the annual statement by the chairman, Mr. Oscar Strauss. Net profits in the year to last December were £85,325 and total dividends were 1.19p a share.

NORANDA ZINC SUSPENSION

The latest casualty of the deprecating world zinc price is Orchan Mines of Canada, which is planning to suspend all mining and milling operations at its workings at Mattagami Lake, Quebec, from December 2 this year to January 8 next year.

CAROLIN LOOKS FOR MORE GOLD

Enthusiasm about the increase in the gold price is being reflected in Vancouver, where Carolin Orchan and Norita underground Mines is going ahead with its plans to cut sampling tunnels into the tested but unexplored orebody at its Hope gold prospect.

CRA in coal clash

A PUBLIC struggle has emerged between the Coal Resources Australia (CRA) and CSR for control of the major equity in the \$480m. (£50.1m.) Hall Creek coal project in Queensland, our Sydney correspondent reports.

NICKEL OUTPUT IN INDONESIA

Against the background of the falling world nickel price, Indonesia has just announced that its production last year increased by 3.5 per cent, from 801,000 tons to 838,200 tons.

KAISER MOVES INTO OIL

In its first ever venture in the oil exploration business Kaiser Resources of Vancouver has joined Brenda Mines and Canada Tungsten Mining Corporation in the Beaufort Sea Dome petroleum drilling project.

PRODUCTION STATISTICS Table with columns for Item, 12 weeks to 22.9.77, 12 weeks to 22.9.76, 12 weeks to 22.9.77. Rows include Bauxite, Alumina, Nickel, Zinc, Lead, Silver, Gold, etc.

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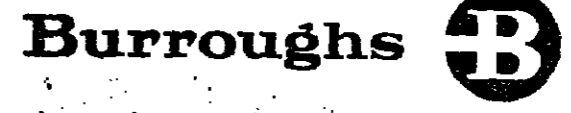
- The B 80 and B 800 satisfy larger organizations seeking to decentralize or distribute data processing power within their operations. Reports are available for immediate action at local or regional levels and, through data communications networks, headquarters management can receive the information needed for overall operations analysis and control.



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INTERNATIONAL FINANCIAL AND COMPANY NEWS

First half increase at Rhône-Poulenc

DESPITE THE deficit of the textile sector (which posted losses of Frs.347, Rhône-Poulenc chemical and textile group said its gross consolidated operating profit during the first half of this year amounted to Frs.1.5bn., or 12 per cent of turnover, compared with Frs.1.2bn. in the same period of 1976.

Consolidated turnover up to June 30 amounted to Frs.12.3bn., an increase of 14 per cent over the first half of 1976. The rise would have been 18 per cent if textile activities were excluded, the group stated.

Productive investment this year should reach some Frs.1.5bn. against a total last year of Frs.1.5bn. and a forecast of Frs.1.7bn. in April.

ENEL issue postponed

WITH THE FALL in Eurodollar bond prices continuing again yesterday, the \$100m. issue for ENEL has been postponed. The issue was scheduled to close this evening and had offered index terms of 8 per cent, or 8 1/2 for a five-year maturity.

land should resume soon on currency considerations alone, as soon as the Swiss start to believe that the dollar will not fall further against the Swiss franc.

at 9 1/2, other terms unchanged, to yield 8.55 per cent. The make-up of Venezuela's New York issue has been slightly changed: the seven-year tranche has been increased to \$100m. and the 15-year tranche cut back to \$50m.

IRI to consider action on Alfa Sud

ISTITUTO PER la Ricostruzione Industriale (IRI), Italy's giant state holding company, is scheduled to hold a crucial meeting later this week to decide on the future of its troubled car subsidiary, Alfa Romeo, reported to have lost a total of Lire 350bn., or close on \$370m., during the past five years.

Nearly 80 per cent of these losses are accounted for by the car group's Alfa Sud plant at Pombiane d'Arco, near Naples. Since the Alfa Sud plant was set up at a total cost of L650bn. (£400m.), it has been hit by low productivity and a crippling number of wildcat strikes.

While there had been some improvement earlier this year in labour relations at the plant, Sig. Cortesi said that the position was still difficult. Apart from wildcat strikes, production has also been disrupted by a high rate of absenteeism.

AMERICAN NEWS

Mellon profits up 7%

MELLON NATIONAL Corporation, the parent of Mellon Bank, has reported a 7.2 per cent rise in net profits after securities transactions, to \$17.9m., or \$1.53 share for the nine months ended in the third quarter, from \$16.7m., or \$1.47 a share, in the same period of 1976, AP-D-J reports.

Over the first nine months of the year, net profits on the same basis showed a gain of 11.2 per cent, at \$21.3m., or \$1.84 a share, against \$19.1m., or \$1.66 a share. Mr. James H. Higgins, the chairman, said that increased earnings in the nine months resulted from higher trust department income, the inclusion of a nine month's earnings from Local Loan Company, which was acquired in the third quarter of 1976, and from a higher level of earnings from leasing operations.

ON REVENUE ahead from \$1.33bn. to \$1.46bn., net income of RCA for the third quarter of 1977 almost doubled from \$33.1m. to \$62.9m. The 1976 figure includes a charge of 27 cents per share, representing a provision of \$20m. in respect of the Ortel Foods Group.

Spain borrows at 7% spread

WITHIN A few days of hitting the 1 per cent spread over Libor, another Spanish borrower has succeeded in getting a lower spread: 1 per cent over Libor, and the amount being raised is \$300m., through a group of banks led by the Compañía Financiera de España. The fees are believed to be very low and bankers describe the terms overall as tight.

Such terms are a further illustration of the dramatic fall in spreads which is occurring in the market. Although Spanish economy is faced with rough days ahead, bankers here hear from recent figures that carrying the country's external debt is no longer a major concern. The current loan is the largest ever for a Spanish borrower.

The seven managers at Bankers Trust, Asia Pacific Capital Corporation, Chemical Bank, Bank of America, Citicorp, National City, and Wells Fargo, are in London for the Robe River iron ore project.

Swiss stamp duty

THE SWISS Government believes that the proposed increase of stamp duty on securities trading will not lessen the attractiveness of the country's banking system.

Chevallaz said the government appreciated the risk that the increase could lead to certain banking transactions being moved abroad. Similar fears had been expressed by Switzerland's withholding tax had been put up to 35 per cent, but bank turnover had risen by 9 per cent the following year rather than suffering from the measure.

Chevallaz nevertheless gave the undertaking that the authorities would keep a close watch on any consequences of the increase in stamp duty. The government hopes to carry out banking transactions being the increase next year.

Table with columns for Revenue, Net profits, Net per share, and Net share dil. Rows include Abbott Laboratories, Dow Jones & Co., and Kaiser Aluminum.

McLeod, Young, Weir International Limited. Market Makers in US and Canadian dollar Eurobonds of Canadian issuers and Canadian Domestic Securities.

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amro bank amsterdam-rotterdam bank nv. 29-30 King Street, London EC2V 8EQ. Telephone: 01-606 8833. Telex: 887139. General Manager Mr M Snijde. Assistant General Manager Mr D van Leeuwen.

SELECTED EURODOLLAR BOND PRICES

Table with columns for Bond Name, Price, and Offer. Rows include straight and floating rate notes from various issuers like Amro, BNP, and Citicorp.

CONVERTIBLES

Table with columns for Bond Name, Price, and Offer. Rows include convertible bonds from American Express, Ashland, and Bear Stearns.

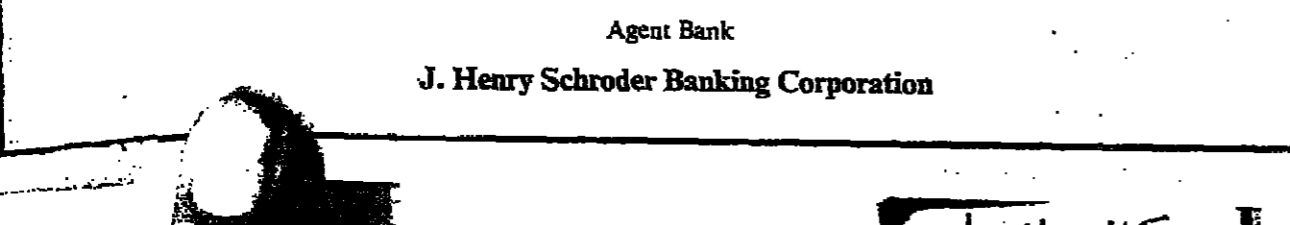
FLOATING RATE NOTES

Table with columns for Bond Name, Price, and Offer. Rows include floating rate notes from Bank of Tokyo, BNP, and Citicorp.

NOTES

Table with columns for Bond Name, Price, and Offer. Rows include various fixed rate notes from issuers like Bell Canada, Br. Columbia, and Dow Chemical.

Yusuf A. Alghanim & Sons W.L.L. U.S. \$25,000,000 Unsecured Medium Term Loan. Managed By J. Henry Schroder & Co. S.A.L. Co-Managed By B.A.I.L. (Middle East) Inc., Burgan Bank S.A.K. (Kuwait), National Bank of Abu Dhabi, The National Commercial Bank Saudi Arabia, Alahli Bank of Kuwait (K.S.C.), The Commercial Bank of Kuwait S.A.K. Provided by Abu Dhabi Investment Company, American Express International Banking Corporation, Bank of Lebanon & Kuwait S.A.L., Burgan Bank S.A.K. (Kuwait), The Chartered Bank Offshore Banking Unit, Bahrain, Lloyds Bank International Limited, Bahrain, The National Commercial Bank Saudi Arabia, J. Henry Schroder Wagg & Co. Limited, J. Henry Schroder Banking Corporation, Al Saudi Banque, B.A.I.L. (Middle East) Inc., Banque Nationale de Paris (Bahrain Branch), European Arab Bank, National Bank of Abu Dhabi, J. Henry Schroder Banking Corporation, UBAF Bank Limited. Agent Bank J. Henry Schroder Banking Corporation.



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Honda Motor earnings increase sharply

FINANCIAL TIMES REPORTER

RECASTING a rise in after profits for this year of more than a third, the parent company of the Honda Motor group...

results eventually emerge, most observers expect that they will include foreign exchange losses...

Company profit doubts

MAJOR JAPANESE corporations have revised downward their estimates of net profit for the half year ended September 30...

Philippine borrowing rules relaxed

By David Housego

PHILIPPINE SUBSIDIARIES of Ford Motor Company and General Motors are to be allowed to make local peso borrowings...

The rules have been bitterly denounced by the foreign business community, which has warned the Government that they could slow down the pace of foreign investment...

UNITED ARAB EMIRATES Syndicated loan for Ras al Khaimah

BY ANTHONY McDERMOTT

THE FIRST syndicated Euroloan of \$200m for Ras al Khaimah, a member of the United Arab Emirates in the Gulf, was signed in London yesterday...



Sheikh Khalid, Crown Prince and Deputy Ruler of the Emirate, signing the agreement.

The loan is to be repaid over six years, carrying a spread of 1 1/2 per cent over Libor. It was lead-managed by Brothers and also managed by the Arab and Morgan Grenfell Finance Company...

ing operations over the next year. It is hoped that in September 1978 oil production at the SAL of Lebanon has authorised...

European listings for Thorn

Y ANDREW TAYLOR

THE NEW listings will provide an ideal springboard for Thorn if it decides to strengthen its European operations via share purchases...

second most important market by volume—after the U.K.—and Thorn has been particularly successful in expanding its TV rental business...

Royal Insurance moves into S. Korean market

BY ERIC SHORT

THE U.K. composite Royal Insurance has become the first of its kind to take advantage of the recent decision of the South Korean Government to relax its ban on foreign insurers operating in the Republic of Korea...

Jardine Inds. setback—interim halved

BY PHILIP BOWRING

JARDINE Industries, a quoted subsidiary of Jardine Matheson, has halved its interim dividend from six to three cents...

In the annual report for 1976, published in April, Mr. D. J. Newbiling, the chairman, said that 1977 should see increased earnings provided that the Hong Kong dollar's strength did not make the company's products uncompetitive...

Advertisement for Osterreichische Kontrollbank Aktiengesellschaft, featuring financial details and a list of participating banks from various countries.

Advertisement for AB Götaverken, featuring financial details and a list of participating banks from various countries.

# U.K. engineering companies come up against the facts of life

BY KENNETH GOODING

A BRITISH engineering company recently won a contract to supply process plant hardware for a French project. This was not a monster order by any means—it was worth around £500,000—yet the French company's executives were asked to explain to the Minister responsible for their industry their reasons for buying British rather than French equipment.

As it happens, the technology involved in the plant was not available in France so the deal was given grudging government approval. However, the next time that French company is placing orders it will certainly be influenced by its interview with the Minister.

This is just one recent example among many of the way protectionism has been growing in countries which nominally are committed to the principle of free trade within the EEC.

Complaints are growing in some parts of the engineering industry that only the U.K. is sticking to the rules. In the words of Commander John Hamer, director of the Process Plant Association (PPA): "In the present very depressed industrial circumstances, worldwide competition is fierce and in this picture it would seem that only in Britain do we continue to play with a straight bat. We seem to think that if we are decent, everybody else will follow the rules too. We have to learn the facts of life and industry."

There is, indeed, extreme concern among Britain's makers of process plant hardware about the growing numbers of orders being lost to overseas competitors. The PPA says that so far

this year up to £17m. of equipment has been ordered from abroad for U.K. projects. This represents, according to the association's reckoning, 700 lost job opportunities—jobs mainly for skilled people.

Ironically, too, most of the projects involved will receive help from the U.K. Government in the form of grants or loans at preferential rates of interest because they are in Development Areas or Special Development Areas.

The PPA points out that this financial assistance was mainly designed to help create jobs. Yet the process industries tend to be capital rather than labour intensive so the finished projects will create only a relatively few new jobs. The construction and fabrication work, however, can create work for many hundreds.

Apart from the plant makers losing opportunities, the British Steel Corporation also suffers because foreign steel is being used. And in the current, very depressed, steel market the corporation needs all the customers it can get.

## Brush-off

The plant makers feel that the time has come for the grants system to be changed. The PPA has written to Mr. Eric Varley, the Secretary for Industry, asking him to consider urgently "making Government assistance in the form of grants, preferential rate loans or interest relief conditional on the majority of the supply and services being from U.K. sources."

In the past such a request would very likely have been

## IMPORTS OF PROCESS PLANT

Description	Value £'000s	Destination	Supplier
Reactors	350	Seal Sands	Japan
Columns	630	Hull	Holland
Tanks	320	Billingham	France
H.E.s	550	St. Fergus	Italy
Reactors	510	Hillhouse	Germany
Vessel	2,500	Teeside	France
Tower	500	Carrington	Holland
Reactors & Vessels	400	Middlesbrough	Belgium
Columns	500	Carrington	Belgium
Refinery Plant	7,000	Immingham	Holland/France
H.E.s	270	Baglan Bay	Japan
Reboilers	600	St. Fergus	Italy
Separators	400	St. Fergus	Italy

Source: Process Plant Association

given a polite brush-off. There are good reasons why Mr. Varley might have followed the old formula. After all, the PPA's letter dropped into his "in" tray just about the time both the International Monetary Fund and the GATT secretariat publicly complained about growing international protectionism. However, Mr. Alan Williams, the Minister of State for Industry, who replied because of Mr. Varley's absence on holiday, told the PPA that "because of the impact of the matters you raise," the subject would be passed for consideration to the Process Plant "Little Noddy," only recently set up and which held its first meeting earlier last month.

There are many practical difficulties in what the PPA has suggested. Certainly it would take very little to change the rules of the various Development Area aid schemes. The

orders simply because of the prices quoted. Some of the foreign tenders have been 30 to 35 per cent. below those quoted by British companies. In fabrication around half the total cost may be in raw materials, so how can such quotations be made?

The answer, according to the PPA, is that some foreign companies are effectively "buying" work, taking contracts at cut prices to cover overheads and keep their labour forces together.

The PPA also alleged in its letter to Mr. Varley that it had reliable, but informal, information "that in many cases the foreign companies are receiving assistance in various forms from their respective governments to assist them in exporting."

## Reversal

The plant makers argue that any overseas company accepting a contract at below cost price is as guilty of dumping as a producer of a finished product is judged to be under GATT rules if it sells at below the home-market price. But because of the one-off nature of process plant orders it is not possible in practice to prove the precise amount of value added by the fabricators, so anti-dumping duties could not effectively be imposed.

The timing of the plant makers' campaign has much to do with the dramatic reversal in the mood of the industry since forecasts were published in May by the process plant working party at NEDO, predecessor of the "Little Noddy." At that time there was a reasonable amount of optimism among the process plant contractors and manufacturers.

But the hiatus in the economic recovery of the West's main manufacturing countries, coupled with problems in the home market caused by continuing inflation and cuts in public expenditure, have transformed the position.

The association in May was expecting spending on process plant hardware to rise by 6 per cent. in real terms in 1977-78 compared with 1976-77. Now the estimate has roughly been halved to 3 to 4 per cent.

Problems have been caused by such things as the British Steel Corporation's decision to cut its investment by £450m. over that period, by the failure of the expected sharp increase in demand from the food and drink processing industry to materialise, and because the chemical industry also seems to have put back some investment for a time.

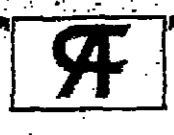
## Lose heart

Meanwhile most plant makers are operating at no more than 60 per cent. of capacity. In the first three-quarters of 1977 fewer than four out of 10 manufacturers in the industry had more than six months' work on their order books. And the numbers of those with only 15 weeks' work has been growing steadily.

The problems of keeping design teams together in such circumstances are tremendous. To start with the industry has not been in a position to build up any layer of protective financial fat in the past. Historically the industry's return on capital has been only 5 to 6 per cent. If there is no work for the design teams they lose heart and drift out of the industry, even if their employees are willing to go on paying them.

The PPA maintains there are indications that there will be a great build up of demand in 1978-79 and that much of that demand will be put the way of U.K. manufacturers because of political or financing pressures. The industry should not be allowed to run down any further if it is to be expected to meet this demand which could stretch capacity to the utmost.

The plant makers have no illusions, however, that the rest of British engineering will rally round and support them. "Nobody is going to buy British if it costs him 30 per cent. more than overseas plant," said one executive.



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- THE FACILITIES OF THE CHARITIES AID FOUNDATION - a guide to methods of giving to charity.
- TRUST FACILITIES - a guide to the ways in which you can give to charity.
- GIVING TO CHARITY FROM INCOME - a guide for individuals and donors.
- THE BUSINESS SIDE OF GIVING TO CHARITY - a guide for Company Directors.
- CHARITY CREDITS - an explanation of the new rules.
- DEEDS OF COVENANT - their preparation and administration.

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CASSA DI RISPARMIO DI VERONA,  
VICENZA E BELLUNO

# APOLLO

Edited by Denys Sutton

The world's leading magazine of Arts and Antiques

Published Monthly price £1.50 Annual Subscription £21.00 (Inland)  
Overseas subscription £24 USA & Canada Air Assisted \$48

Apollo Magazine, Brecken House, 10, Cannon Street, London, EC4P 4BY, Tel. 01-248 8000

Specialist



Entertainment Guide

CC—These theatres accept certain credit cards by telephone or at the box office

OPERA & BALLET
COLUMBIAN Credit cards 01-240 5255.
Reservations 01-236 3161.
Because of contractual obligations the performance of the Royal Opera House is cancelled. Tickets should be returned to the Box Office for exchange or refund. Tickets for the 14th balcony seats are available day or night.

London Clearing Banks' balances

as at September 21, 1977

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures published later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Co-Op, a subsidiary of National Westminster but a clearing bank in its own right.

TABLE 1. AGGREGATE BALANCES

Table with columns: Total outstanding, Change on month, Liabilities, Assets. Rows include Treasury bills, U.K. banking system, U.K. residents, etc.

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES

Table with columns: Total, Change on month, Liabilities, Assets. Rows include Barclays, Lloyds, Midland, National Westminster, Williams & Glyn's.

TABLE 3. CREDIT CONTROL INFORMATION

Table with columns: Eligible liabilities, Reserve assets, Reserve ratio (%).

TABLE 4. ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

Table with columns: Total outstanding, Change on month, Reserve assets, Constitution of total reserve assets, Ratios %.

APPOINTMENTS

HM Treasury: Deputy Chief Economic Adviser £14,200. An economist of outstanding ability is sought for appointment as Deputy Chief Economic Adviser in the Treasury.

CONFERENCES

KINGSTON REGIONAL MANAGEMENT CENTRE. CONFERENCES FOR SENIOR MANAGERS TO BE HELD AT THE CAPE ROYAL IN NOVEMBER. 15th Industrial Strategy - Gaining the Commitment of Employees - Lord Allen (USDAW), Ken Baker (GMWU), John Cousins (NEDO), J. D. Hinde (Chairman, SWP), and Dermot Hurley (Chrysler) confer on implementing Sector Working Party Recommendations.

Banking figures

(as table 9 in Bank of England Quarterly Bulletin) ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS

Table with columns: Total outstanding, Change on month, Reserve assets, Constitution of total reserve assets, Ratios %.

COMPANY NOTICES

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED. NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER. DIVIDEND, NO. 103. Pursuant to the notice published on 30 September 1977, members are informed that the rate of exchange at which payments of the above dividend are to be discharged by the United Kingdom Bank is 16.25p per Rand.



Berry Pacific (Sterling) Fund—Continued

Balance Sheets and Statements of Changes in Net Assets. Tables showing financial data for 1973, 1974, 1975, 1976, and 1977. Includes sections for Balance Sheets, Statements of Changes in Net Assets, and Net asset value per share.

LOAN ARRANGEMENTS
A loan facility has been established by the Company with the Royal Bank of Canada (Channel Islands) Limited ("the Bank"). The facility enables the Company to borrow up to \$10 million in the aggregate or the equivalent in certain other currencies.

FOREIGN CURRENCY CONSIDERATIONS
Whilst the redemption price per Participating Share of the Company is calculated in sterling, the investments of Berry Pacific Fund Limited are denominated principally in US dollars. Fluctuations in the exchange rate between sterling and the US dollar can have a material effect on the redemption price per Participating Share.

DIRECTORS
Raymond Berry, 66, is Chairman of The Berry Trust Company Limited. R. B. M. English, 54, is a director of G.T. Management (Asia) Limited. R. Donald Lewis, 56, is Deputy General Manager of The Bank of Bermuda Limited.

MANAGEMENT
The Company is managed by G.T. Management (Jersey) Limited ("the Managers"), a subsidiary incorporated in Jersey, of Berry Pacific Fund Limited. G.T. Management (Jersey) Limited is managed by G.T. (Bermuda) Limited which has the day-to-day investment management to G.T. Management (Asia) Limited.

(which is summarised below under the heading "Particulars of Share Capital") and by adding back (i) the aggregate amount of monies borrowed and (ii) the amount of any contingent liability to purchase foreign currency in the investment currency market for the purpose of payments of principal or interest on borrowings, and by deducting therefrom (iii) the value of shares in Berry Pacific Fund Limited held by the Company and (iv) the amount of any contingent liability to sell in the investment currency market investments or currency acquired otherwise than in or through such market.

The Managers are also entitled to receive the deduction of 1p made on the redemption of each Participating Share which is referred to below under the heading "Redemption of Shares".
In addition, the management fees the Company will be responsible for all its outgoings, including the fees payable to G.T. Management (Jersey) Limited in its capacity as the Secretary and Registrar and for certain outgoings incurred by the Managers in carrying out their duties as managers as specified in the Management Agreement referred to below.

Under present law and practice and on the basis that control is not exercised in Jersey the Company is regarded as resident outside Jersey for the purposes of Jersey tax. It is not therefore subject to Jersey income tax, since it is the policy of the Company not to make any investments in Jersey. Its liability to tax in Jersey is limited to the extent of any income derived from the fixed rate of 500 per annum.

REDEMPTION OF SHARES
A holder of Participating Shares may redeem his shares in whole or in part by delivering to the Company's Transfer Office the certificates for the shares, having duly completed the form of request for redemption on the back of the certificates. Such shares will be redeemed on the second subscription day next following the receipt of such certificates.

SUBSEQUENT ISSUES OF SHARES
The Articles of Association of the Company provide that Participating Shares may be issued from time to time at a price not less than the offer price calculated as at the close of business on the day preceding the subscription day on which such shares are issued. The offer price is based on the underlying net asset value of the Company and the method of determining it is set out under the heading "Particulars of Share Capital" below.

PUBLICATION OF PRICES
The Managers will arrange for the publication daily in the Financial Times of the price at which Participating Shares are issued or sold by the Managers and redeemed or purchased by the Managers as at the latest subscription day. The quotations for Participating Shares on the Stock Exchange will appear in the Stock Exchange Daily Official List and the Financial Times.

SUSPENSION OF VALUATIONS
The Articles of Association of the Company provide that the Directors may suspend the valuation of the assets of the Company for the whole or any part of a period (a) during which the principal stock exchange on which any of the investments of the Company are listed is closed for any day (including any day on which trading is suspended or during which trading on any such stock exchange is restricted); or (b) during which the right of shareholders to realise shares in Berry Pacific Fund Limited is suspended or otherwise the subscription or realisation price of shares in Berry Pacific Fund Limited is unavailable; or (c) if circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Company to dispose of any investments or fairly to determine their value.

REPORT AND ACCOUNTS
The Company's first financial period will end on 31st March, 1978. Copies of the audited accounts of the Company and of Berry Pacific Fund Limited which are also made up to 31st March in each year will normally be sent to shareholders at their registered address in June of each year. Shareholders will also be sent copies of quarterly reports and quarterly unaudited accounts of both the Company and Berry Pacific Fund Limited.

PARTICULARS OF SHARE CAPITAL
Management Shares exist solely to ensure that the share capital structure complies with Jersey law, which requires that the Participating Shares should have preference in the event of liquidation of the Company.
No dividends are payable on the Management Shares and the Management Shares rank first for the return of the capital paid on them, subject to the prior redemption of the capital paid on the Participating Shares.

which is payable to the Managers and forms part of their remuneration out of which they are entitled to subscribe for Nominal Shares although no such deduction will be made where the nominal amount of the Participating Shares is to be redeemed out of distributable profits.
The offer price of a Participating Share at any subscription day is calculated by:-
(a) ascertaining the value of the net assets of the Company at the close of business on the Business Day immediately preceding the subscription day;
(b) adding to such sum (i) the amount of any monies borrowed and (ii) the amount of any contingent liability to purchase foreign currency in the investment currency market for the purpose of payments of principal or interest on borrowings, and by deducting therefrom (iii) the value of shares in Berry Pacific Fund Limited held by the Company and (iv) the amount of any contingent liability to sell in the investment currency market investments or currency acquired otherwise than in or through such market.

Articles of Association of the Company
The Articles of Association of the Company provide that the net assets of the Company shall comprise:-
(a) the investments owned or controlled by the Company;
(b) cash in hand or on deposit including accrued interest;
(c) any other property owned or controlled by the Company;
(d) any other property owned or controlled by the Company which is not included in (a), (b) or (c) above.

GENERAL INFORMATION
The interest of the Directors of the Company in the share capital of the Company and Berry Pacific Fund Limited which would be required to be shown in the returns maintained under the subject to the provisions of the Companies Act 1967, if the Company and Berry Pacific Fund Limited were registered in the United Kingdom, is as follows:-
(a) The Berry Trust Company Limited and G.T. Management (Jersey) Limited respectively were registered in Jersey on 28th September 1977 and 29th September 1977 respectively.
(b) The Berry Trust Company Limited and G.T. Management (Jersey) Limited respectively were registered in Jersey on 28th September 1977 and 29th September 1977 respectively.

ARTICLES OF ASSOCIATION OF THE COMPANY
In addition to the provisions contained in the Memorandum of Association and the Share Capital of the Company, the Articles of Association of the Company contain the following provisions:-
1. The rights attached to any class of shares subject to the provisions of Jersey law may be varied without the consent of the holders of the shares of that class if the variation is approved by a Special Resolution passed at a separate General Meeting of the holders of the shares of that class.

GENERAL INFORMATION (continued)
The Berry Trust Company Limited and G.T. Management (Jersey) Limited respectively were registered in Jersey on 28th September 1977 and 29th September 1977 respectively.
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VALUATION FALLS 8 ON interest rate concern Dollar improves GOLD MARKET

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Oct. 11

TROUBLED By lingering interest rate worries, Wall Street experienced a fresh bout of weakness in light trading today.

The Dow Jones Industrial Average fell 7.35 to 823.25 following the company's announcement on recurring take-over.

Chemicals gained DM1.30 on average. BBC fell while Saxon Industries rose Frs 9.20. Radio Technique rose Frs 9.20.

BRUSSELS—Mainly weaker in fairly active trading. Petrofina receded Frs 1.30 to Frs 2.35.

STOCKHOLM—Stocks presented an easier appearance. GERICON—Market went strongly forward to close near top.

The U.S. dollar gained ground against major currencies in fairly active trading, following general yesterday following upward movement in Euro-dollar market.

SPAIN—Market started the week on a firmer note, the Madrid index managing to rally 0.64 to 63.19.

TOYKO—Blue Chips and Populars led a general stock market advance, depressed by the yen's rapid appreciation against the dollar.

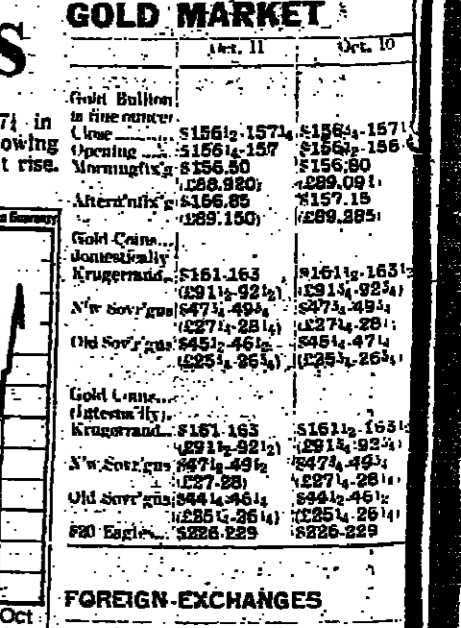


Table titled 'FOREIGN EXCHANGES' listing various international markets and their respective values.

Table titled 'CURRENCY RATES' providing specific exchange rates for various currencies like Sterling, Canadian Dollar, etc.

Table titled 'EXCHANGE CROSS-RATES' showing rates between major currencies like Frankfurt, New York, Paris, etc.

Table titled 'EURO-CURRENCY INTEREST RATES' detailing interest rates for various Euro-currency deposits.

Table titled 'FORWARD RATES' showing forward exchange rates for different terms like one month, three months, etc.

OTHER MARKETS

Table titled 'TUESDAY'S ACTIVE STOCKS' listing various stocks and their price changes.

Table titled 'NEW YORK—DOW JONES' showing the performance of the Dow Jones Industrial Average.

Table titled 'STANDARD AND POORS' listing various stocks and their market status.

CANADA EASIER

Losses were in the majority on Canadian stock markets yesterday following a rather quiet trading session.

STOCKHOLM—Stocks presented an easier appearance. GERICON—Market went strongly forward to close near top.

Table titled 'N.Y.S.E. ALL COMMON' showing various stock indices and their values.

Table titled 'MONTREAL' listing stock prices for Montreal-based companies.

Table titled 'TORONTO' listing stock prices for Toronto-based companies.

Table titled 'JOHANNESBURG' listing stock prices for Johannesburg-based companies.

OVERSEAS SHARE INFORMATION

Table titled 'NEW YORK' listing various overseas stocks and their prices.

Table titled 'CANADA' listing various Canadian stocks and their prices.

GERMANY

Table titled 'GERMANY' listing various German stocks and their prices.

AMSTERDAM

Table titled 'AMSTERDAM' listing various Amsterdam stocks and their prices.

TOKYO

Table titled 'TOKYO' listing various Tokyo stocks and their prices.

AUSTRALIA

Table titled 'AUSTRALIA' listing various Australian stocks and their prices.

BRUSSELS/LUXEMBOURG

Table titled 'BRUSSELS/LUXEMBOURG' listing various Brussels/Luxembourg stocks and their prices.

PARIS

Table titled 'PARIS' listing various Paris stocks and their prices.

SWITZERLAND

Table titled 'SWITZERLAND' listing various Swiss stocks and their prices.

COPIENHAGEN

Table titled 'COPIENHAGEN' listing various Copenhagen stocks and their prices.

MILAN

Table titled 'MILAN' listing various Milan stocks and their prices.

VIENNA

Table titled 'VIENNA' listing various Vienna stocks and their prices.

MILAN

Table titled 'MILAN' listing various Milan stocks and their prices.

STOCKHOLM

Table titled 'STOCKHOLM' listing various Stockholm stocks and their prices.

AMSTERDAM

Table titled 'AMSTERDAM' listing various Amsterdam stocks and their prices.

MILAN

Table titled 'MILAN' listing various Milan stocks and their prices.

VIENNA

Table titled 'VIENNA' listing various Vienna stocks and their prices.

كلان الأطل

FARMING AND RAW MATERIALS

Oilseeds stocks rise forecast

World production of the nine oilseeds is expected to be 19m. tonnes, or 16 per cent higher than the 1976-77 season...

British Potato Board will have to change—Silkin

THE POTATO Marketing Board will have to be constitutionally amended, and the U.K.'s ban on community imports lifted at the end of the year...

Sugar fears depress world price

FRESH FEARS of a flood of sugar on to the export market before the new International Sugar Agreement takes effect on January 1...

SPANISH CITRUS

Farmers up in arms again

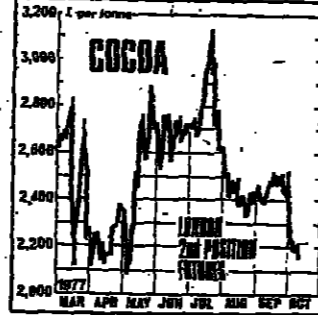
SELDOM HAS Spanish farming conflict in Spain's north, the "war of the asparagus," which was waged slightly earlier...

Nickel company resumes work

BURY, ONTARIO, Oct. 11. CONBRIDGE Nickel Mines about 4,000 workers have resumed their jobs here...

Nigeria sales report depresses cocoa

REPORTS THAT Nigeria is offering current crop cocoa supplies brought an easier tone on the London terminal market yesterday...



Cheese imports

Christopher Parkes adds: The French Ministry of Agriculture appears to have mapped the course of the delicate question of whether or not New Zealand is to be allowed to continue selling cheese in Britain beyond this year...

U.S. stockpile sales rumour lowers tin

TIN PRICES fell sharply on the London Metal Exchange yesterday following rumours that U.S. Congressional approval for the sale of surplus tin supply may be obtained quicker than expected...

Freak frosts

In April, nature was the aggressor, wreaking havoc on crops with frosts in May that were the "war of the potato," Farmers demanded the resignation of senior officials in the administration who had ignored the weather...

Latest salvo

The latest salvo, timed to the owners of citrus plantations over a barrel, comes from the orange pickers' union...

UMINUM STOCKS RISE

Our Commodities Staff HELD BY THE INTERNATIONAL Aluminium Institute during August to 2,310,000 tons compared with end July of 2,296,000 tonnes...

COMMODITY MARKET REPORTS AND PRICES

Table with columns for Commodity, Price, and Change. Includes items like Tin, Rubber, and Soyabean Meal.

South Atlantic fishery meeting

AT A meeting of the South Atlantic Fisheries Committee held at the Falkland Islands Office yesterday...

Moderate wool price rise forecast

THE BUREAU of agricultural economics expects wool auction prices to increase moderately in the current 1977/78 season despite the hesitant start...

U.S. BAN ON HORSE IMPORTS

WASHINGTON, Oct. 11.—THE U.S. Agriculture Department today announced an indefinite ban on imports of horse breeding stock from Britain, France, and Australia...

FINANCIAL TIMES SURVEY LONDON METAL EXCHANGE

he Financial Times is preparing to publish Survey on the London Metal Exchange. The main headings of the proposed editorial reports are set out below...

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SE METALS

Table showing prices for various metals including Tin, Copper, and Lead.

GRAINS

Table showing prices for various grains including Wheat, Barley, and Oats.

SILVER

Table showing prices for silver in different forms.

COCOA

Table showing prices for cocoa beans and products.

COFFEE

Table showing prices for various coffee beans.

RUBBER

Table showing prices for different types of rubber.

SOYABEAN MEAL

Table showing prices for soyabean meal.

SUGAR

Table showing prices for different grades of sugar.

WHEAT FUTURES

Table showing prices for wheat futures contracts.

COTTON

Table showing prices for different types of cotton.

JUTE

Table showing prices for jute and related products.

PRICE CHANGES

Table showing price changes for various commodities.

PALM OIL

Table showing prices for palm oil.

MEAT/VEGETABLES

Table showing prices for meat and vegetables.

U.S. Markets

Table showing market data for the United States.

Metals up; cocoa and grains fall

PRECIOUS METALS closed higher on continued rise in gold prices following the announcement of a new gold standard by the United States...

FINANCIAL TIMES

Table showing financial data for the Financial Times.

REUTERS

Table showing financial data for Reuters.

DOW JONES

Table showing the Dow Jones index.

MOODY'S

Table showing Moody's credit ratings.

STOCK EXCHANGE REPORT

Partial recovery in Gilts leads general market rally Share index ends 2.7 up at 511.8 after a quiet trade

Account Dealing Dates

Table with columns: Dealings, Last Dealings, Account Dealings, Dates (Oct 11, 13, 17, 20, 23, 27, 31, Nov 10, 11, 14, 17, 20, 23, 27, 31)

Speculative activity in potential and actual bid stocks featured a quiet equity trade yesterday with leading shares generally hardening in sympathy with a promising rally in British Funds after the recent shake-out. The lethargic conditions were illustrated in official markings of 3.572 compared with the recent daily average of about 6.800. The Funds opened steady to firm in the absence of further selling and closed at the day's best with gains of 15, although prices in the late afternoon fell to 77.32. The Government Securities index picked up 0.70, or roughly a third, of the previous two-day loss.

rate of 23.47 per cent, gained more to 95.1. The irredeemables recovered by 1 to 1 with War Loan 1 better at 361. In the interoffice trade, quotations were tending to soften on rumours that the Ford pay settlement would be well above the Government's guidelines.

After the previous day's debut at 4 1/2p, Change Wares 12 per cent. Convertible Preferred hardened 1 to 1 1/2p. Scattered arbitrage offerings released by business in both South African Golds and Australian shares hastened a downdrift in the investment currency premium which ended 11 points down at 881 per cent. Yesterday's S.E. conversion factor was 0.7808 (0.7764).

Banks better Leading Banks took a turn for the better, but buying interest was still restrained by the prospect of a further reduction in base lending rates. Barclays improved 4 to 22 1/2p, while Lloyds, 270p, and Midland, 390p, hardened 2 1/2p each. Merchant Banks were also inclined firmer, Guinness Peat improving 3 to 22 1/2p and Schroders 10 to 470p.

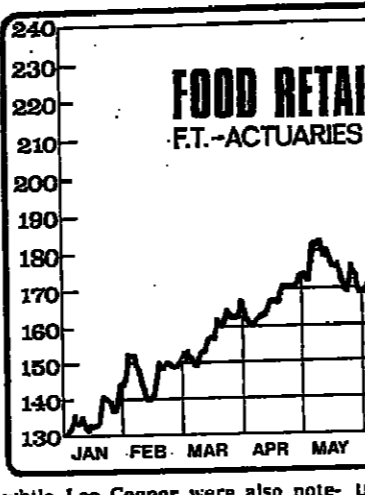
Insurances gave further ground, General Accident fell 7 to 270p and Guardian Royal 4 to 25 1/2p, but Equity and Law moved against the trend and closed 6 to 14 1/2p. Breweries had a firmer inclination with Allied and Bass Charrington both closing a penny better at 85p and 151p respectively.

The Building leaders fluctuated within fairly narrow limits and closed without much alteration, but secondary issues provided a few noteworthy movements. Avatronic terms of the bid from the parent company, Lafarge gained 10 to 100p, but the half-year loss prompted marked weakness in Wethers Bros., down 15 to 43p. Buying interest revived in recent speculative favourites Robert Adlard, 88p, and Phoenix Timber, 185p, which rose 4 and 3 respectively. Bedford Concrete hardened a penny to 86p on the capital proposals. On the other hand, Ruberoid eased 3 to 36p following the lower half-year profits.

News that the Price Commission had allowed the company an interim increase in prices stimulated demand for Fisons which put 13 to 38 1/2p. Elsewhere in Chemicals (CI) closed a few pence dearer at 42 1/2p, while Brent put on 4 to 19 1/2p. Lankro were suspended at 130p at the company's request. Alginate firmed 6 to 288p, but Stewart's Plastics, a recent speculative favourite, came back 4 to 110.

Thorn Electrical good Thorn Electrical were back in the limelight in Electricals, rising 10 to 432p, after 43p, on hopes of an encouraging statement accompanying the company's

application for European quotation. Dreamland were active and 3 better at 49p, after 31p, on continuing bid speculation, while Farwell Electronics were finally 2 better at 23 1/2p, after 22 1/2p, following the interim figures. EMI closed 4 better at 218p. Other firm spots included BSR, up 3 more to 118p, and Rascal Electronics, 10 to the good at 23 1/2p. Bowthorpe, however, declined 2 to 35p despite the increased first-half profits.



use demand with a rise of 5 to 190p. Glaxo ease further State of interest occurred in the miscellaneous Industrial leaders. Still reflecting disappointment with the annual results, Deterbam closed unaltered at 107p in front of to-morrow's results.

Gains just about predominated in the Engineering sector which had above-average features in Peatler-Hattersley, 202p, and Sinter and Pitt, 182p, both with a rise of 6. Victor Products made a peak for the year of 84p, up 4. Robert Adlard, 88p, and Phoenix Timber, 185p, which rose 4 and 3 respectively. Bedford Concrete hardened a penny to 86p on the capital proposals. On the other hand, Ruberoid eased 3 to 36p following the lower half-year profits.

Woodhead advanced 6 to 22 1/2p as day's loss of 2 1/2 which followed bid speculation revived, while Appleyard, 80p, and York Trailer, 65p, put on 3 and 5 respectively. Lucas Industries, at 204p, regained 4 of the previous day's loss of 7. Crane Fruchant, currently subject of a firm cash offer from Fruehauf Corporation, eased 2 1/2 following Press comment on the interim figures which accompanied the formal bid rejection.

Among Printing and kindred issues, BPA Group improved 3 to 41 in response to the results and Collett Dickinson gained 2 to 62p on the increased dividend and profits.

Properties revive Encouraged by the strong possibility of another cut in Minimum Lending Rate this week, Properties went ahead from the outset. The larger gains were confined to secondary issues among which Albion London rose to 210p before closing a net 6 higher at 208p and Estates Property, on revived speculative interest, gained 5 to a peak for the year of 72p. Alton at 187 1/2p was up 2 to 185p, and Lynton Holdings, at 118p, Unconfirmed reports of a West End property sale inspired support of the entire 10p to 110p. Town and City, 3 harder at 18p, after 17 1/2p, while Scottish Metro-nollan were a shade firmer at 88p following the increased revenue and proposed scrip issue.

Estates, 105p, included Breton Property Holdings, 3 up to 23 1/2p. Regional A picked up 2 to 38 1/2p to the accompaniment of renewed bid hopes. Of the leaders, NEPC retained a penny to 219p. Percy Bilton were among the few dull spots at 185p, down 3. Oils remained quiet but it was the undertone that British Petroleum issues drifted easier with sympathy with incoming Wall Street indices. The Ordinary shed 2 to 80 1/2p and the partly-paid 5 to 37 1/2p. Meanwhile, Shell rallied 2 to 502p, but investment currency influences took off Royal Dutch, 21 better at 25 1/2p, and Bunnab hardened the turn to 62p, while occasional North Sea speculation developed in Charterhall Finance, 11 better at 25p, and LASMO, which gained 2 to 180p, after 182p. Berry Wiggins began firmly but after rising to 35 1/2p eventually reverted to the overnight level of 34 1/2p.

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Among Textiles, U.U. edged forward 1 to 8p on the return of profitability, while S. Lyles, moved up 4 to 74p reflecting the substantially improved earnings. Tobaccoes were in better fettle. B.A.T. Industries Deferred rose 4 to 22 1/2p and gains of 1 1/2 were seen in both Imps, 84p, and Rothmans International, 88p. Plantations provided two outstanding features in Suparna Investments, 3 better at 63p, following the bid from Farm Plantations, and Assam Frontier, 28 higher at 37 1/2p on fresh speculation about the outcome of the current offer from Wrengeat.

Crofty start well The eagerly awaited re-emergence of South Crofty—the company was taken over in June, 1967 by the Stannex Tin Syndicate, now Saint Piran—provided much of the excitement in mining markets. The shares, of which 3.53m, were offered at 50p per share, opened at 67p and moved up to their highest point of 71 1/2p in the first few minutes of trading before "stag" selling brought the price back to around the opening level; thereafter it moved narrowly between 67p and 69p before closing at the former level, or a premium of 17p.

Saint Piran, which controls the remaining 65 per cent. of the South Crofty capital, tended to be overshadowed by the hectic activity in the latter and traded quietly between 84p and 88p prior to closing a penny easier on balance at 86p. Other Tins generally gave ground. South African Golds continued to make headway despite the modest 25 cents reaction in the bullion price to \$195.575 per ounce. The Gold Mines index rose 1.9 more to 154.1—its best level since June 28, 1976—for a two-day gain of 7.5. Prices were only barely steady at the outset of trading but fresh support from the U.S. interest in the afternoon produced modest gains across the board. Marginal issues were again in demand with 4.1 better at 44 1/2p, after 42p. Financials were quietly steady with Gold Fields, the most actively traded, raising a penny to a new high for the year of 211p in front of today's results. Australians put on an improved performance in line with the trend in overnight domestic markets. A.A.R. were outstanding with a rise of 16 to 168p following reports that Conair RioGrande may make a takeover bid for the company. The latter's shares put on 9 to 24 1/2p.

Table titled 'FINANCIAL TIMES STOCK INDEX' showing various indices and their values for Oct 11, 13, 17, 20, 23, 27, 31, Nov 10, 11, 14, 17, 20, 23, 27, 31.

Table titled 'HIGHS AND LOWS S.E. ACTIVITY' showing high and low prices for various stocks and their activity.

Table titled 'OPTIONS TRADED' showing details of various options trades including deal, date, price, and quantity.

Table titled 'NEW HIGHS AND LOWS FOR 1977' listing various stocks that reached new highs or lows during the year.

Table titled 'RISES AND FALLS YESTERDAY' showing the daily percentage changes for various stock indices.

RECENT ISSUES

Table titled 'EQUITIES' listing recent equity issues with details on price, quantity, and terms.

Table titled 'FIXED INTEREST STOCKS' listing fixed interest securities with details on issue, price, and terms.

Table titled '"RIGHTS" OFFERS' listing rights issues and offers with details on price and terms.

Table titled 'ACTIVE STOCKS' listing active stocks with details on price, change, and volume.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table titled 'EQUITY GROUPS' showing various equity indices and their performance over time.

Table titled 'FIXED INTEREST PRICE INDICES' showing fixed interest price indices and their performance.

Table titled 'FIXED INTEREST YIELDS' showing fixed interest yields for various terms and maturities.

Advertisement for Financial Times featuring the headline 'Dare you circulate this?' and text promoting the newspaper's value to business and financial professionals.

Handwritten signature or mark at the bottom of the page.

AUTHORISED UNIT TRUSTS OFFSHORE AND OVERSEAS FUNDS

Table listing various unit trusts and offshore/overseas funds with columns for fund names, managers, and performance metrics.

Table listing various unit trusts and offshore/overseas funds, continuing from the main table.

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Advertisement for Holiday Inn Hotels, featuring the Holiday Inn logo and contact information.

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Advertisement for CLIVE INVESTMENTS LIMITED, providing details on their investment services and contact information.

Table with columns: Stock, Price, % Chg, Div, Yield, P/E. Lists various hotel stocks like North H. J. Hotel, Premier Hotel, etc.

INDUSTRIALS (Misc.)

Large table of industrial stocks including A.A.H., AGR Research, Abbot Ltd., etc. with columns for stock name, price, change, and other metrics.

FT SHARE INFORMATION SERVICE

ENGINEERING—Continued

DRAPERY AND STORES—Cont.

BUILDING INDUSTRY—Cont.

AMERICANS—Continued

Table of Drapery and Stores stocks: Debenhams, Debenhams Retail, Debenhams Stores, etc.

Table of Building Industry stocks: Bovis Lend Lease, Bovis Lend Lease (Retail), Bovis Lend Lease (Stores), etc.

Table of American stocks: American Express, American Express (Retail), American Express (Stores), etc.

ELECTRICAL AND RADIO

Table of Electrical and Radio stocks: A.C. Electronics, A.C. Electronics (Retail), A.C. Electronics (Stores), etc.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks: Alkermid, Alkermid (Retail), Alkermid (Stores), etc.

CANADIANS

Table of Canadian stocks: Alcan, Alcan (Retail), Alcan (Stores), etc.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase stocks: ANZ, ANZ (Retail), ANZ (Stores), etc.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits stocks: Allied Breweries, Allied Breweries (Retail), Allied Breweries (Stores), etc.

AMERICANS

Table of American stocks: American Express, American Express (Retail), American Express (Stores), etc.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV stocks: Anglo TV, Anglo TV (Retail), Anglo TV (Stores), etc.

DRAPERY AND STORES

Table of Drapery and Stores stocks: Debenhams, Debenhams (Retail), Debenhams (Stores), etc.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads stocks: Bovis Lend Lease, Bovis Lend Lease (Retail), Bovis Lend Lease (Stores), etc.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools stocks: A.C. Machines, A.C. Machines (Retail), A.C. Machines (Stores), etc.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, etc. stocks: Asda, Asda (Retail), Asda (Stores), etc.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks: Asda, Asda (Retail), Asda (Stores), etc.

CHRISTIE & CO. Specialists in the sale of privately owned businesses and companies. Auctioneers and valuers.

BRITISH FUNDS

Table of British Funds: Treasury Stock, Treasury Stock (Retail), Treasury Stock (Stores), etc.

Shorts (Lives up to Five Years)

Table of Short-term investments: Treasury Stock, Treasury Stock (Retail), Treasury Stock (Stores), etc.

Five to Fifteen Years

Table of Medium-term investments: Treasury Stock, Treasury Stock (Retail), Treasury Stock (Stores), etc.

Over Fifteen Years

Table of Long-term investments: Treasury Stock, Treasury Stock (Retail), Treasury Stock (Stores), etc.

INTERNATIONAL BANK

Table of International Bank stocks: ANZ, ANZ (Retail), ANZ (Stores), etc.

CORPORATION LOANS

Table of Corporation Loans: ANZ, ANZ (Retail), ANZ (Stores), etc.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans: ANZ, ANZ (Retail), ANZ (Stores), etc.

LOANS (Misc.)

Table of Miscellaneous Loans: ANZ, ANZ (Retail), ANZ (Stores), etc.

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails: ANZ, ANZ (Retail), ANZ (Stores), etc.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

PROPERTY—Continued

Table of property stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

INV. TRUSTS—Continued

Table of investment trusts including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

FINANCE, LAND—Continued

Table of finance and land stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

International Finance DAIWA SECURITIES logo and text.

MINES—Continued CENTRAL AFRICAN table with columns for stock price, high, low, and volume.

AUSTRALIAN table with columns for stock price, high, low, and volume.

TINS table with columns for stock price, high, low, and volume.

COPPER table with columns for stock price, high, low, and volume.

MISCELLANEOUS table with columns for stock price, high, low, and volume.

NOTES section with text regarding market conditions and company announcements.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SHIPPING

Table of shipping stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

SOUTH-AFRICANS

Table of South African stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

TEXTILES

Table of textile stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

OVERSEAS TRADERS

Table of overseas traders stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

TEAS

Table of tea stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

MINES

Table of mine stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

CENTRAL RAND

Table of central rand stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

EASTERN RAND

Table of eastern rand stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

FAR WEST RAND

Table of far west rand stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

OILS

Table of oil stocks including companies like Anglo-Siam, Anglo-Siam, Anglo-Siam, etc. with columns for stock price, high, low, and volume.

PROPERTY

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REGIONAL MARKETS

Table of regional market data including various regional indices and stock prices.

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A selection of Options traded is given on the London Stock Exchange Report page

Relative Strength chart showing market performance indicators.

Factories and Warehouses advertisement with contact information.

Hostile response to Europe steel offer

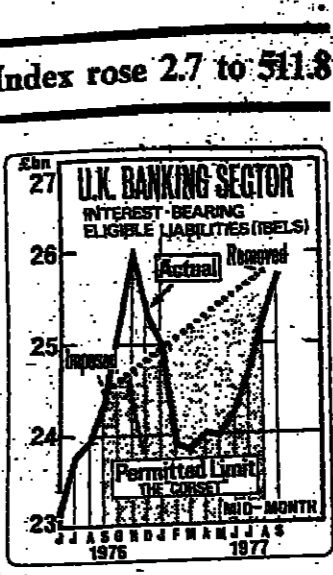
BY STEWART FLEMING THE PROPOSAL by Eurofer, the club of European steelmakers...

U.S. under previous voluntary restraint agreements in the early 1970s. The Commission which Eurofer had hoped might negotiate...

NEW YORK, Oct. 11. The steel industry's problems took different forms in different countries...

Money supply back in the limelight

The gilt-edged market staged a modest recovery yesterday, with gains at the long end of the market...



So far the scheme has open to all comers, but posals currently being discussed would limit access to scheme...

Iran charges Tate & Lyle officials with dishonesty

BY ANDREW WHITLEY TWO SENIOR executives of Tate and Lyle are to be charged here with forgery and dishonesty...

Heavy fall in public borrowing

BY PETER RIDDELL, ECONOMICS CORRESPONDENT BORROWING by central Government in the first half of the financial year was running at well under half the level forecast in the Budget...

Mr. Denis Healey, Chancellor of the Exchequer will be urged by the Opposition next week not to give any stimulus to the economy until after the progress of the present wages policy begins to emerge in November and December.

United Biscuits

There is still little sign of a major rights issue revival, but the latest in a sporadic succession of issues comes from United Biscuits...

Export battle

City merchant banks and the clearing banks are currently putting up a spirited fight to ensure that they do not lose their grip on the new and lucrative ECGD dollar buyer credit market.

Fairey

Not all Fairey stories have happy endings and yesterday's news from the embattled clearing bank had an expected bitter edge.

British Oxygen strike hits steel

BY NICK GARNETT, LABOUR STAFF THE STRIKE by manual workers in the British Oxygen Company's gases division made an immediate impact on industry yesterday...

U.K. suffers setback in Saudi deal

BY JOHN LLOYD BRITISH HOPES of securing part of the world's largest telecommunications contract have suffered a setback...

Money

probable in the absence of official action. A fall of this size, following last week's 1 per cent reduction, would intensify the pressure on the clearing banks to reduce their lending rates...

Fairey

threat which it appeared might be averted after the Receiver was called in. Fairey's Belgian company, whose troubles led recently to an application for a concordat...

Advertisement for Air conditioned Banking Hall & Offices, 4 Coleman Street EC2, 6,300 sqft approx.

Weather and Business Centres table with columns for location, weather, and business status.

Consolidated funds table showing revenue, expenditure, and deficit for 1976 and 1977.

Table with columns for location, weather, and business status, similar to the first table.